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18 March 1986

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REGIONAL AFFAIRS

QATAR AMBASSADOR DISCUSSES PROBLEMS OF U.S.-ARAB ORGANIZATIONS

London AL-MAJALLAH in Arabic 8-14 Jan 86 p 11

[Interview with 'Abd-al-Qadir Burayk al-'Amiri, Qatari ambassador to the United States, by 'Abd-al-Rahman al-Rashid: "'Abd-al-Qadir Burayk, Dean of Arab Ambassadors in Washington, to AL-MAJALLAH: Flaw in Arab-U.S. Chamber of Commerce Has Been Intensifying for 16 Years"; date and place not specified]

[Text] AL-MAJALLAH interviewed 'Abd-al-Qadir Burayk al-'Amiri, the dean of the Arab ambassadors in Washington and Qatar's ambassador to the United States, on the recent incidents that have been the subject of the Arab politicians' interest.

[Question] What is the position of the Arab Ambassadors Council toward the recent incidents staged against Arab-U.S. organizations?

[Answer] In the wake of the recurring attacks on the Arab-American anti-discrimination Committee organization in Boston, then in California, and finally in Washington, the Arab Ambassadors Council discussed in two successive meetings the issue of Arab-U.S. organizations and the position of the Arab establishments in the United States that have been exposed or may be exposed to the same dangers. The Council asked the Arab League to aid the Arab-American anti-racial discrimination organization materially and morally. The council also passed a resolution to discuss the issue of these organizations with the U.S. administration, particularly with the State Department and with the attorney general.

[Question] Has the council advanced any aid to the organization which has been the victim of the recent incidents?

[Answer] In addition to the recommendation conveyed to the Arab League in the presence of Ambassador Lakhdar Librahimi, I have discussed cooperation with a number of embassies, including the embassies of the Gulf Cooperation Council member states, so that they may contact their governments for support for the Arab-U.S. anti-racial discrimination organization. The subjugation of this organization to repeated attacks indicates its effectiveness and the vitality of its activity, which serves the supreme Arab interests, especially in connection with the Middle East issue.

[Question] With the departure of Robert MacFarlane and the arrival of Admiral Poindexter as the U.S. administration's national security adviser, do you think that this change will have a positive or a negative impact on Arab-U.S. relations?

[Answer] I don't believe that MacFarlane's departure from and Admiral Poindexter's appointment to the U.S. administration will influence the U.S. administration's overall policy. The U.S. administration's position is basically unsympathetic to any Arab cause, especially the Middle East issue and the Palestinian people's rights. Therefore, it doesn't seem to us that there will be a change.

[Question] How would you describe Admiral Poindexter?

[Answer] He is known as a rigid military personality. He may have made this rigidity known by advising President Ronald Reagan to intercept the Egyptian airliner after the hijacking of the Italian ship was terminated.

[Question] The smell of the scandals of the Arab-U.S. chambers of commerce issue has spread and the question is: Why are these chambers supported when they fail to serve the objectives for which they were founded?

[Answer] The Arab Ambassadors Council has made a clear and specific recommendation on the need to establish a central Arab-U.S. chamber of commerce in Washington so that the Arab side may be able to protect its interests in the United States, considering that the Arab-U.S. chambers are an important channel of communication between the Arab homeland and the United States in the economic, commercial, and industrial spheres.

[Question] But....

[Answer] Because throughout the past 16 years this channel has been open to the private interests, regardless of the Arab homeland's interests, it was normal for the flaw to intensify and for the private conflicts to grow in it. As a result of these elements, the council's economic committee has had throughout the past 3 years to reassess these chambers and to try to purge their conditions, considering that they are windows through which the Arab world overlooks the U.S. arena. Despite the clear position of the Arab Ambassadors Council and of its economic committee, there are still numerous obstacles and hindrances posed by these chambers to obstruct the foundation of a central chamber.

[Question] To put it more precisely, does this mean that the U.S. chambers of commerce pose the obstacles?

[Answer] The New York chamber in particular (which is the biggest Arab-U.S. chamber with the greatest financial revenues). These obstacles emanate from the attempts of the officials in charge of these chambers to maintain the gains that they make and that do not at all serve the Arab public interest.

[Question] As long as you plan to establish a chamber in Washington and as long as the other independent chambers are trying to foil this plan, then why don't you terminate your ties with and your recognition of these chambers?

[Answer] We hope that the Arab Ambassadors Council will not suspend its dealings with and withdraw certification from the chambers that may oppose a central chamber. However, we will embark on this surgical step if the need arises because we are confident that this opposition, in case it exists, expresses nothing but selfishness and narrow personal interests that are in total conflict with the objectives for which the Arab-U.S. chambers of commerce were founded. We in the Arab Ambassadors Council sincerely hope that what happened with the Houston City chamber, the recognition of whose authentication certificates was withdrawn last year, will not recur. Dealings with this chamber have been uuspended until a chamber founded on a sound basis is established.

[Question] By virtue of your chairmanship of the Arab Ambassadors Council's economic committee, how do you view the possibilities of success for the attempt to impose extra customs fees on Arab petrochemical imports?

[Answer] The request to impose extra customs fees is still a bill before the Congress. In case it is approved, the Arab countries will not be the only ones harmed because the harm will extend to other countries, such as Mexico and Venezuela.

Even though such a step will cause direct damage to the total trade exchange between the Arab homeland and the United States, its primary effect will hit the GCC member states by virtue of the trade volume between these states and the United States. Therefore, it is normal for the GCC General Secretariat to contact the United States, Europe, and Japan to reach a joint agreement that protects the Arab side's interests.

[Question] It is said that the U.S. secretary of state refuses to receive the Arab ambassadors and refers them to one of his aides whereas the Israeli ambassador meets with the secretary. What is the Arab ambassadors' position on this issue?

[Answer] Despite the special and distinguished relationship between the United States and the Zionist entity and between the current U.S. administration and the Israeli ambassador, to my knowledge since I have had the honor of being the dean of the Arab diplomatic corps in Washington, Secretary of State George Shultz has never refused to meet the Arab Ambassadors Council whenever the council has made such a request.

[Question] Is the PLO information representative in Washington a member of the Arab Ambassadors Council or of its committees?

[Answer] Yes, the PLO information representative in Washington is considered a full member of the Arab Ambassadors Council. Therefore, he

enjoys all the rights and duties enjoyed by any of the other Arab ambassadors and is treated accordingly. This full membership of the PLO representative is only within the framework of the Arab Ambassadors Council in Washington. But he is not given the same rights and benefits by the U.S. administration. We hope that the day will come when the U.S. administration recognizes the Palestinian people's legitimate rights and, consequently, the PLO representative in Washington.

8494/9190

CSO: 4404/188

REGIONAL AFFAIRS

CONFERENCE CONSIDERS GULF'S INDUSTRIAL PROBLEMS

Paris AL-MUSTAQBAL in Arabic 11 Jan 86 pp 39-40

[Article: "Gulf Industry's Crisis: Foreign Production at Lower Price and Better Quality"]

[Text] Gulf industries are facing a "historic crisis." Because they are, the Gulf Industrial Consultation Establishment and the Gulf industrialists called for a conference which was held in Doha last month to discuss the possibility of tackling this crisis with a collective effort that enables Gulf industry to continue to stand on its own feet.

Before embarking on the details of the conference and of the discussions which took place in it, it must be noted that the Gulf industry's problems have come all at once these days and that their emergence has caused many industries to depart from the market and other industries to turn into losing industries. However, the two most significant problems facing the Gulf industry are: this industry's inability to market internally due to the inundation of competitive goods from European and Asian industries and its inability to export to the outside world. This inability includes export industries founded on modern technological bases and with undoubted economic feasibility, such as the Saudi, Qatari, and Kuwaiti petrochemical industries.

If the first problem cannot face an inundation of goods sold below cost, either because they are stockpiled or because they are subsidized by their governments--though acknowledging in advance that the Gulf plants which offer their goods at high prices exceeding the reasonable limits believe that the prices of the competing foreign goods available in the market are dumping prices--then the export industries which have modern industrial managements, which are founded on scientific economic bases and which produce at reasonable prices capable of competing internationally, are also incapable of exporting. The reason is the protectionist measures taken by the European countries and the United States. The story of the petrochemicals, steel, and iron produced by SABIC--the Saudi Arab Basic Industries Corporation--with the European countries and the United States is a well-known story.

In this climate, the Gulf industrialists conference was held in the presence of the Qatari, Saudi, Iraqi, and Bahraini ministers of industry, a number

of official figures, and about 100 Gulf industrialists. Whereas the Saudi and Qatari presence was extensive, it was noticed that the Kuwaiti presence was small.

The conference opened with an address by Shaykh Hamad ibn Khalifah Al Thani, Qatar's deputy ruler and crown prince--an address delivered on his behalf by Shaykh Khalid ibn Hamad Al Thani, the minister of interior--stressing several points, the most important of which were the need to deal with the industrial development obstacles in a scientific manner, the need to propose and discuss the various alternative solutions required to enhance the level of administrative and production efficiency, and the need to reduce the costs within the framework of a move to achieve maximum benefit from the available resources, as well as the need to mobilize all the social resources and all the establishments to serve the development process. The address also points out that there will be no serious progress toward achieving structural changes in the Gulf economy without a well-studied industrial development that produces industries capable of competing.

Minister al-Shirawi, Bahraini minister of development and industry, called for merging the small industrial projects in bigger production units more capable of confronting the unundation of foreign competition. He also called for united efforts and for serious work in the coming phase to tackle whatever impedes Gulf industry.

Minister al-Zamil of Saudi Arabia urged the need to bolster and expand the basic industrial projects according to the world market's needs and demand, to begin immediately the establishment of intermediate and final industries, to speed up the exploitation and development of the mineral resources available in the area, to bolster and encourage the food industries that contribute to achieving food security, to encourage the industry producing equipment and spare parts, and to set up military industries, in addition to encouraging the establishment of assembling and mixing industries.

Minister al-'Abdallah said that the area has experienced major development in the industrial sphere but that the private industrial sector has continued to encounter numerous obstacles that impede its development for many reasons, the most significant being the newness of industrial activity in the area, the meager experience in the industrial process, the establishment of uneconomical industries that cannot compete with imported goods that inundate Gulf markets, and the newness of the development agencies that deal with the private sector.

Shaykh Faysal ibn Thani, the Qatari minister of industry and agriculture, dealt with the problems of the market and of competition, especially the problems of the narrowness of the local market, the need for protection, the existence of unequal competition in the foreign markets, the relative scarcity of labor and of natural resources, and the need for controls capable of providing protection, of raising the national industry's capability, and of preventing monopolization.

Dr 'Abdallah Hamad al-Mu'ajjal, the general secretary of the Gulf Industrial Consultation Establishment, raised two urgent issues: the first is embodied

in the problems emanating from the lack of coordination between the educational and training programs on the one hand and the Gulf states' development plans on the other--a lack of coordination which has led to unemployment and to reliance on foreign labor. He stressed the need to devote attention to training programs that seek to deal with this situation and to replace foreign labor by local cadres. He also stressed the importance of women's participation in the development process. The second problem is embodied in tackling administrative flaws at both the public and private levels--flaws which represent the major factors in squandering the material, financial, and human resources. Working papers prepared by a large number of Gulf researchers and by the Gulf chambers of commerce were presented to the conference. The conference discussions were focused on the issues of the inundation of foreign-made goods, labor and foreign markets, the role expected from the private sectors, and other issues.

As a result of the discussions, the conference issued numerous recommendations, of which the following are the most important:

1. Consider the principle of protection a requirement for bolstering and developing Gulf industry, along with the need to tie this protection to a number of controls and considerations that must exist in a manner that serves the national economy's interest, especially the presence of a minimum added value generated by the industry proposed to be protected, the presence of a minimum limit of employment of national labor, adherence to approved Gulf specifications and standards, and acceptance of the principle of price control.
2. It is necessary to set up a mechanism characterized by simplicity and quick decision-making to tackle the cases of inundation in the Gulf market.
3. Coordination and the merger of joint industrial projects are essential means in confronting the problem of internal competition between the Gulf producers.
4. Urge the governments to encourage exports beyond the Gulf area, especially to the Arab countries, and to develop the means to bolster and boost exports.
5. Turn toward the establishment of joint marketing companies, bolster marketing expertise and skills in the area, and organize fairs to facilitate the marketing of manufactured products and to secure markets for them.
6. Put the emphasis on joint Gulf and Arab industrial projects and expand such projects so as to achieve economic coordination and integration and to link the producers' interests with the consumers' interests. This is in addition to bolstering the area's production and marketing capabilities and to tying the area to the Arab market.
7. Develop the means to ship products between the Arab Gulf states, simplify the procedures for their movement, and exert efforts to reduce

transportation costs so as to achieve a tangible increase in trade exchange between the area's states.

8. Raise the level of incentives given to the Gulf industry as a means to develop and enhance its production and marketing capabilities, especially since the principle of offering such incentives is a principle enacted by many of the industrialized and developing countries.

9. Hold this conference periodically every 2 years and form committees to follow up on the recommendations emanating from the conference with representatives of the chambers of commerce and industry in the Arab Gulf states.

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18 March 1986

REGIONAL AFFAIRS

INTERNATIONAL PARTICIPATION IN GULF HOSPITAL PROJECTS

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
10 Jan 86 p 2

[Article by "W. An.": "Hospital Projects in Gulf Region"]

[Text] In a number of Gulf states (Kuwait, Qatar, Bahrain, the UAE and Oman), hospital projects are either in the planning stage, being built or have already been completed. (A report on hospital projects in Saudi Arabia appeared in this newspaper on 2 July 1985.) Although their oil revenues have declined sharply, these countries are still making major investments in hospital construction. Consulting engineers as well as construction companies and equipment suppliers from the industrialized countries have succeeded in concluding a substantial number of contracts.

In Oman, which presently has 15 hospitals with a total of 2,565 beds, George Wimpey International Ltd., a British firm headquartered in London, is building the royal hospital in the Ghubrah South District of the Muscat metropolitan area with 555 beds which is due to be completed in January 1987. The contract, which was signed in 1983, is worth 78 million Omani rials. A British banking consortium made a \$ 148 million loan available, which was guaranteed by the British Export Credits Guarantee Department. The hospital will have six operating rooms, an X-ray department, an isolation ward, facilities for the treatment of accident victims and living quarters for some 700 staff members. The British consultants for the project include the Percy Thomas Partnership (architecture), Donald Smith Seymour & Rooley (construction) and Shanning International Ltd. (medical-technical equipment).

George Wimpey International Ltd., represented by its Omani subsidiary, Wimpey Alawi LLC, Ruwi/Muscat, recently completed construction of a 128-bed orthopedic department, a clinic and a service building at Khoula Hospital. The cost of this expansion project amounted to some four million rials. In February 1986, a 40-bed hospital is to be opened at Haima along the Muscat-Salalah road for the construction of which the Gammon Co of Pakistan was responsible. That contract was worth 2.4 million rials. In Adam, a small 24-bed hospital was opened. A new 300-bed hospital is planned for Schar and two smaller facilities for Musandam peninsula. Musandam, strategically located on the Strait of Hormuz, will also expand its existing 24-bed hospital by an additional 36 beds.

As part of its contract to build Sultan Qaboos University, Cementation International Ltd., a British firm headquartered in London, also undertook the construction of a 500-bed teaching hospital valued at \$117 million. The hospital will be part of the large new university complex being built in the desert some 20 kilometers from Muscat and due to open later this year. The hospital itself will open its doors in 1988.

According to a recent report from the UAE, the central hospital in the capital city of Abu Dhabi is to be torn down to make room for a modern hospital complex which is to include an emergency hospital, an outpatient clinic, a psychiatry department, a detoxification center for alcoholics and a home for old and severely handicapped people.

Ed. Zueblin, a Stuttgart construction firm, and UAE-based Al Masood Engineering and Contracting have been awarded a joint contract worth \$38.4 million for the construction of 250-bed, three-story emergency hospital in Abu Dhabi. This hospital, which will have eight operating rooms, is to be built as an annex to the existing Al Jazeira Hospital. The design and planning contract for the hospital had been awarded to Jordan Consult and Hospital Design Group, a British firm. These two consulting firms are supervising construction of the hospital which is due to take 2 years.

In Qatar, a new 310-bed women's hospital in the capital city of Doha is scheduled to open in late February 1986. The new hospital, being built by the Foster & Creighton Co., is part of the Hamad General Hospital complex and takes the place of an old, 100-bed women's hospital which does not meet current standards. The 640-bed Hamad General Hospital complex was built by Bernard Sunley & Sons, a British firm, and opened in 1980.

Hospitalia International GmbH of Frankfurt, which is jointly owned by Siemens AG of Munich and Berlin and the Dutch Philips group, has been assigned a role in supplying the equipment for the new women's hospital. Hospitalia International had previously done similar work in Oman, in the UAE and in Kuwait. In Oman, the firm supplied the equipment for the 250-bed Qaboos Hospital in Salalah.

In the UAE, the firm provided the medical-technical equipment for Al Jazeira Hospital and for the 320-bed Zayed Military Hospital in Abu Dhabi. The contract for turnkey construction of the two hospitals had been awarded to Polensky & Zoellner of Frankfurt with Sir Alexander Gibb and Partners acting as consultants for the project. Hospitalia International also played a part in supplying equipment for the 440-bed General Hospital and the 52-bed Tawam Hospital in the oasis and university town of Al Ain; for the 56-bed General Hospital in Dibba; for the 56-bed General Hospital and the 320-bed Saqr Hospital in Ras al Khaimah and the 108-bed Al Qassimi Hospital in Sharjah.

In Kuwait, Hospitalia International supplied the equipment for the 520-bed Al Jahra Hospital and the 520-bed Farwaniyah Hospital. Additional large-size (i.e. about 500-bed) hospitals built in Kuwait recently include Adan Hospital and the two teaching hospitals of Amiri and Mubarak al Kabir. Among the special clinics which have been newly opened are the 300-bed Al Razi orthopedic hospital and the 280-bed Ibn Sina Hospital for eye diseases, for nerve and brain surgery, for the treatment of burns and for intensive care. Both of these special clinics are located at the Sabah Medical Centre in Shuwaikh.

Additional hospitals already under construction or firmly planned include a 250-bed military hospital the plans for which were drawn up by Aart International, a French firm; a 39-bed dialysis center which is part of Ibn Sina Hospital and a 350-bed hospital for the treatment of infectious and tropical diseases. At present, there are 17 hospitals and special clinics providing adequate medical care to the population of Kuwait.

The most recent project in Kuwait is for a 100-bed hospital on the island of Failaka for which international bids will be invited in March 1986. According to the Kuwaiti ministry of health, construction of this hospital is scheduled to begin in September 1986. P. Dussmann GmbH & Co. KG (Pedus International) of Munich, a firm specializing in clinical hygienics, food and provisioning services as well as security and cleaning, is responsible for four Kuwaiti hospitals at this time.

Bahrain operates a fully integrated national health service. In the capital city of Manama, the Sulmaniya Hospital Centre, the Naim Hospital and International Hospital, a private facility, have been built. In June 1984, Al Khaldiya Contracting, a local firm, was awarded a \$1.8 million contract for the construction of a medical maintenance center. For the 2-year period from 1986 to 1987, the Bahraini government has budgeted 40 million Bahraini dinars for the construction of a hospital and other medical projects.

Plans have been drawn up to enlarge the Sulmaniya Medical Centre by three floors and eight operating rooms. The number of beds is to be increased from 650 to 980. Associated Consulting Engineers (ACE), a Greek firm headquartered in Athens, and Page-Sutherland & Page, an American firm, have been given the job of consulting for the project which is to cost 37.7 million Bahraini dinars. The private International Hospital has plans for a two-stage expansion from 70 to 140 and then to 300 beds. Medical Management International, an American firm, is doing the consulting work for this project.

9478

CSO: 4620/30

EGYPT

INTERNAL TRADE MINISTER DISCUSSES PROBLEMS FACING INVESTMENT

Supply Minister Discusses Subsidies

Cairo AL-SIYASI in Arabic 29 Dec 85 p 2

[Article by 'Ali Shalabi]

[Text] Dr Naji Shatlah, the minister of supply and internal trade, announced that the ministry has prepared a complete study on the principles that guarantee that subsidies be delivered to those who merit them and that the study has been prepared through proposals made by the Ministries of Supply and of Finance and by university professors. This study will be submitted to the Council of Ministers for approval.

The study states that only 3 percent of the entire Egyptian population, which numbers 48 million people, carry partially subsidized red ration cards and that the remaining 97 percent carry fully subsidized cards and obtain essential and basic commodities at the subsidized prices.

But what has made the Ministry of Supply reconsider its calculations and conduct a new study on the subsidy and those who merit it and on how to reach these people?

Moreover, do these percentages actually reflect the group [fi'awi] division in society?

Partial Subsidy, for Whom?

Engineer Husayn Khalil, the Ministry of Supply undersecretary for distribution affairs, said that in accordance with Article Nos 1, 10, and 17 of Ministerial Decree Nos 51 and 70 of 1983, new partially subsidized red ration cards will be issued to the following groups:

- Owners of commercial businesses, tourist establishments, transportation companies, and import and export agencies; commercial representatives; contractors; and owners of plants and workshops licensed to operate by the government agencies concerned, along with their families.
- Professionals who are members of the professional unions and who graduated and have been engaged in their practice for more than 15 years, even if

they are government or public-sector employees and including those subject to the special cadres, along with their families.

- Those who, along with their spouses and underage children, possess more than 10 feddans of land, be it cultivated with field crops or with fruit trees, provided that the land is subject to the land tax.

- People working abroad on loan or on contract and emigrants, along with their families.

- People working in the companies subject to the investment law, along with their families, with the exception of office boys and guards.

- People working in branches of the international organizations and of foreign firms in Egypt and workers of the Arab League, of the Islamic Peoples League, and of foreign universities and schools with branches in Egypt, along with their families.

- Workers of embassies, consulates, and diplomatic representation offices in Egypt, along with their families.

- Whoever owns two or more private cars, along with his family.

Decree No 51 of 1983 states that people holding ration cards who no longer meet the requirements for holding such cards must report to the supply office within whose jurisdiction they come within 30 days of the disappearance of the requirements so that their cards may be cancelled and the dispensation of their rations may be suspended.

Whoever violates these decrees shall be punished with a jail term of no more than 3 months and a fine of 100 pounds, or either, and the contravener shall in both cases be required to reimburse the price difference for the rations unjustifiably dispensed to him on the basis of the current free prices for the commodity concerned.

The Ministry of Supply undersecretary adds that the decree, which defines the groups entitled to partially subsidized red ration cards, has been enacted and that those to whom the contents of this decree do not apply are entitled to acquire fully subsidized green ration cards.

A decree has also been issued exempting people with an annual income of less than 2,000 pounds and permitting them to acquire a fully subsidized green ration card.

A government or public-sector employee is entitled to a green ration card even if his annual income exceeds 2,000 pounds and regardless of his position in the state, unless he has another source of income, such as a firm or a piece of real estate or land he owns.

Any worker in the private, investment, or crafts sector who can prove that his annual income does not exceed 2,000 pounds is entitled to a

fully subsidized care. The proof can be obtained from the Tax Agency, the Insurance Authority, or the payroll.

Regarding the principles and rules followed by the new study to determine those who merit the subsidy, the supply undersecretary said that in the immediate past period, changes have occurred in the incomes of some citizens as a result of many of them working in the investment companies and of some of them going abroad to work. This has dictated reexamination of the previous group division so that it may become more objective and accurate in defining the groups entitled to a full subsidy.

The study will be completed in 2 months and will then be presented to the Council of Ministers for approval.

Investment Problems Discussed

Cairo AL-SIYASI in Arabic 29 Dec 85 p 2

[Article by Ibrahim 'Abd-al-'Aziz]

[Text] The issue of investment in Egypt is one of the most important issues attracting attention at present with the aim of boosting the private sector's role in bolstering the national economy.

Even though the Investment Authority is trying to apply the benefits and incentives which are offered by the investment law and which all consider to be adequate for encouraging investment, the government's latest statement has outlined new benefits in order to insure stability for the Egyptian investor in his country and to attract the Arab and foreign investor.

Regarding the most significant problems facing investment in Egypt and the solutions to these problems, the National Party's Economic Committee has prepared a study which divides the investment problems into three types.

- Problems facing the approvals.
- Problems facing the projects being implemented.
- Problems facing the projects that have begun producing.

As for the problems facing approvals for projects, they can be defined in the following

1. The meagerness of the benefits offered by the investment law in comparison with the benefits offered by other laws, especially with the increase in the obligations and burdens of the investment projects. The new communities law offers all the benefits included in the investment law, in addition to doubling the tax exemption period from 5 to 10 years. This has caused the tax-exemption benefit in the investment law to lose its lure.

Decrees have been issued subjecting the investment projects' imports to the rationalization committees and Law No 91 of 1983 was issued, regulating the customs exemptions and nullifying numerous benefits included in the investment law. This has had a negative impact on the investors' interest in new projects.

2. The rapid change and amendment of laws and the undermining of benefits previously established for projects that have actually begun operating.
3. The lack of coordination in the economic policy and the resort to tackling the deficiencies in one area without consideration for the impact on the other areas.
4. The withdrawal of approval for numerous projects that have faltered instead of trying to help these projects overcome the problems facing them.
5. The imposition of restrictions on the spheres of activity without any clear justification and the intervention of the control agencies in the activity of the projects, even though they are private projects that are not subject to this control.

Implementation Obstacles

As for the obstacles facing the projects under implementation, they are:

1. The channeling of all industrial projects toward the new cities, even though these cities' infrastructures have not been completed, and the delay in making decisions on the applications requesting the allocation of lands in the new cities for projects that have already been approved.
2. Submission of all the investment projects' import requests to the rationalization committees, even though the investment law exempts them from submission to rationalization. This is in addition to the rationalization committees' rejection of some requests on the pretext of the availability of a local commodity similar to the commodity to be imported.
3. The demand that the projects follow numerous steps and submit numerous documents when making any modification in the economic feasibility study, even though such studies are subject to modification as a result of the rise in costs in comparison with the period when the activity is approved.

Production Problems

As for the obstacles facing the projects that have already begun producing, they are:

- The sale of some local raw materials and production requirements to the investment projects at prices that exceed their sale price to the public sector or to the private sector that is not subject to the investment law. This is in addition to charging the projects for their energy needs at the international prices.

- The complexity of customs procedures and the multiplicity of customs decrees, all of which delay the release of the consignments and saddle the projects with the delay penalties.

These Are Solutions

The study offers the following recommendations to solve the problems that face all kinds of investment in Egypt:

1. A complete study on the tax exemptions should be completed so that such a study may not confine itself to calculating the increase in state revenues because the establishment of these projects yields an added annual value to the national economy--a value embodied in these projects' products, in the work opportunities, and in the operation costs. The situation requires excluding the investment law and the new development communities law from Law No 91 of 1983 pertaining to the regulation of customs exemptions.
2. All the projects set up by the private sector should be placed on an equal footing, regardless of the laws under which these projects are established.
3. The projects set up under the canopy of valid decrees must not be affected when these decrees are changed or abolished.
4. Consideration should be given to setting a higher exchange price for remittances intended for participation in the investment projects so as to encourage those working abroad to finance the investment instead of financing the imports without money remittance.
5. The activities and spheres toward which the state believes the investment should be channeled and encouraged must be declared and the controls and benefits pertaining to each activity must be made clear.
6. Priority in the state plan must be given to completing the infrastructure projects of the new cities, especially their industrial zones.
7. Importation of the investment projects' requirements, including raw materials and production requirements, must be facilitated, either by exempting them from rationalization or by giving the projects annual approval for their needs and by not forcing them to meet these needs from the local market because it is a foregone conclusion that the projects will purchase their requirements from the local market if they are available at the desired price and quality. If the objective is to encourage the local industry, then this can be done by eliminating the customs fees and not by imposing a ban.
8. The concept of the followup and evaluation performed by the Investment Authority should be the concept of eliminating the obstacles facing the projects and of helping them to achieve their objectives.

9. No distinction should be made in the price of selling local raw materials and production requirements to the investment projects and consideration should be given to unifying the energy price for all projects. It may be appropriate to increase the price of the energy elements by 20-25 percent and to apply this increase to all projects.

10. The banks should be allowed a free hand in advancing credits and in participating in projects. The interest rates currently in effect should be reexamined and reduced so as to discourage the tendency to invest in bank deposits and to encourage investment in the various activities. At present, some people prefer to deposit their money in banks and to refrain from investment because the interest rate is reasonable.

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EGYPT

FINANCE MINISTER DISCUSSES VARIOUS FISCAL, ECONOMIC ISSUES

Cairo AL-AHRAM in Arabic 3 Jan 86 p 7

[Interview with Dr Salah Hamid, minister of finance, by 'Abd-al-Rahman 'Aql:
"Dr Salah Hamid, Minister of Finance, in Comprehensive Interview With
AL-AHRAM: 'Joint Concerns and Tasks' of State and Citizen"; date and place
not specified]

[Text] With the start of the new year, how does the picture of the "joint concerns and tasks" between two fundamental sides to the new budget figures look to the ordinary man-in-the-street and to the minister of finance, the number-one official in charge of developing the resources of the big Egyptian family--49 million people, according to the latest census--and also the number-one official in charge of rationalizing the spending of public money?

Dr Salah Hamid, the minister of finance, said: The primary task of the two sides to the Egyptian fiscal question, namely the citizen and the state, is to increase production, to improve the qualities of the Egyptian commodity, whether intended for the local market or for the world market, and to rationalize consumption, beginning with bread and ending with electricity.

The minister of finance also said: It is not true that the employee is the only citizen who pays his taxes, that he is the only taxpayer submitting honest tax statements, and that he is the most disciplined taxpayer. The minister also said: We will not amend the tax laws but we will develop the agency for the collection of taxes and customs fees. The number of customs tariff articles will be reduced from 32 to 8 articles, assessment of the customs tariff will be reexamined, customs disputes will be settled within 15 days, and the tax and customs exemptions will be streamlined.

The minister also asserted that the comprehensive studies on the wages of state workers are before the minister of administrative development and that their outcome is expected to be applied in the budget of the next fiscal year.

[Question] What do Egypt's finances mean and what does the budget deficit or surplus mean to the ordinary citizen? How does the citizen contribute to dealing with the budget deficit? What is the government's role and what are society's capabilities, especially the capabilities of the classes that have amassed wealth in the past 10 years?

[Answer] To begin, let us explain what the general budget means. It is tantamount to revenues and expenditures. The first part consists of the current revenues and current expenditures. The current revenues are comprised of sovereignty revenues, such as taxes, customs fees, consumption taxes, and other kinds of fees. Current spending consists of the expenses of operating the government administration. It is obvious that the ultimate outcome is either a surplus, when the revenues are bigger than the spending, or a deficit, when the spending is bigger than the revenues. In case revenues exceed expenditures, then this means that we meet the current expenditures and the costs of government administration.

But when a deficit develops, then this means that the difference between expenditures and revenues has to be borrowed from the banking apparatus and that there is in the market a purchasing power that exceeds production. Consequently, the volume of currency in circulation competes for the limited number of products offered in the markets. This leads, by necessity, to a rise in prices, which we call "inflation." This means that when the revenues are surpassed by spending, this leads to the inflation which the citizen experiences. This is why the government had devoted its attention to the need to curtail the deficit in the general budget. As we have already pointed out, curtailing the general budget's deficit comes by increasing the revenues by a higher rate than the increase in spending. This is not easy because the government has been shouldering for a long time burdens not shouldered by any other society. Education is free, and so is health care. There are pensions paid to some citizens who are not participants in the pension insurance fund, such as al-Sadat pension fund. There are various kinds of expenditures under which the biggest existing countries strain. This is why the spending increase rate is very high. Consequently, the revenue increase rate must also be increased at compounded rates, i.e., at much higher rates than the spending increase rates. Therefore, the role which the government is performing now and on whose basis the current economic policy is charted has had to be defined clearly so that the government may play its role and may allow the private sector to perform the role designated for it because it is unreasonable for the government to invest in infrastructure projects and in production and sale projects, all of which result in spending at high rates. The state also shoulders the burden of employing the graduates, with the government labor force thus becoming much bigger than the force required by the work volume. This is one of the reasons for the red tape in government activity and for the inflation of wages. Therefore, the state's social work has become inflated. This does not mean that this work is extensive but rather means that there is social work that the government is supposed to carry out and social activities to which the people are supposed to contribute. This work comes on top of the investment activities in which the government engages.

Insofar as the revenues are concerned, they consist of taxes, customs fees, and consumption taxes. There is no doubt that since the onset of the open-door economic period, there have been those who have engaged in certain activities and reaped profits from them. I must point out here the difference between several points: there are activities subject to taxation. If we divide the national income, we find that the taxable activity is every

commercial or industrial activity that is not subject to any of the tax exemption laws. If the activity is taxable, then those engaged in it will be brought to account in accordance with procedures which we are exerting efforts to improve year after year, especially since the open-door economic period came in the wake of the isolationist period in which the government agencies in charge of taxes and customs were diminished. Those agencies had been set up to serve the interests of the small private sector existing in the 1960's when most of this sector's workers had gone to work in the public sector which needed their services. With the big expansion of the private sector, it became necessary for these agencies, with their existing conditions, to bring the private-sector people to account. The system of deduction at the source was developed and expanded to make it possible to keep track of the taxpayers' activities and to bring them under a strict accounting system. Of course, a question comes to one's mind, asking: And why haven't the revenues been increased by a large degree? This is due, of course, to the fact that there are various untaxable types of economic activity, such as the agricultural activity which produces nearly one-third of the national income. Only fruit orchards are taxable and this tax is small, considering that it is based on the lease value per feddan. We also find that the investment activity and the tax exemptions included in Law No 43 seek certain objectives. Moreover, the tourism law gives a number of exemptions to some tourist establishments, in addition to the basic exemptions embodied in the exemption limit which reduces the number of taxpayers by excluding from tax payment people engaged in activity generating no more than 1,000 pounds and profits of no more than 960 pounds, which is the current exemption limit. The activities of most of the Egyptian taxpayers are small. Therefore, the number of taxable people is small when compared with the size of the Egyptian population. There are tax evaders also. We do not say that all are evaders because there are law-abiding citizens. We are now working to bolster the Tax Agency and to pursue the small number of tax evaders in order to find out their real profits. There is no doubt that evasion control would be more effective if the citizens cooperate by informing the agency of the sums of money they pay certain activities and professions, if they keep the receipts and documents proving such payments and if they submit them to the Tax Agency to make it possible to find out the real incomes of the people engaged in such activities.

This is why the state's main objective is to leave legislation alone and to focus on strengthening the tax and customs agencies needed to collect the full and fair taxes the taxpayers owe the state. We say that the legislation will not be amended, unless to eliminate a contradiction and not just for the sake of amendment.

The numerous amendments have confused both the taxpayers and the tax officers. This is why we have sought a period of legislative stability in order to strengthen the agency and to eliminate the backlog from which it has been suffering since it was founded. Consequently, we have drawn up a plan calling for eliminating the backlog by the end of 1986. We will then start charging the taxpayer year by year. We are trying to increase the tax and customs revenues as much as possible, to collect the back payments, to pursue the tax evaders, and to correct the conditions under which people get

unjustifiable exemptions at a time when we are trying to rationalize the exemptions and to channel them toward essentials that serve an economic or social purpose.

To put it briefly, the factors hampering the growth of revenues or causing this growth to be below the rate it must attain are the following: First, the exemption of parts of the national income with tax exemptions stipulated in the laws. Second, the escape of a small part of the revenues as a result of some cases of evasion. This is what the ministry is fighting by means of effective control and by bolstering the tax administration through intensive training, using computers, surveying taxpayers, and keeping up with the tax deductions. Third, the numerous customs exemptions. Efforts have been recently made and continue to be made in order to rationalize these exemptions and to make sure that they are tied to the objectives for which they are given.

[Question] There are tax exemptions for a number of economic activities and these exemptions may have affected the revenues as a whole. But the exemptions are supposed to increase production in order to deal with the other side of the equation. Is it the citizen or the state that is responsible in this regard?

[Answer] Both sides, the state and the citizens, shoulder the responsibility. The citizens' responsibility is to produce and the state's responsibility is to chart the production policy. As long as the state leads production in the right direction by way of tax exemptions and by building industrial towns and encouraging citizens to invest and produce in them, then it is the citizen's responsibility to submit honest tax statements and to exert efforts that lead to achieving production rates similar to the productivity of workers in other countries. The incentives are now open for the producers to encourage workers to work instead of wasting time idly or pretending to be sick. We find, for example, that the productivity of workers in India, Korea, (Malaysia), and all the countries around us has risen above our workers' productivity. Therefore, all we beg of the Egyptian citizen is that he work to increase productivity which produces a bigger production volume and saves a lot of investments. Increased production will undoubtedly be beneficial to the worker in the form of incentive payments. But it is noticed, however, that the wage/production ratio is higher in our country than in any neighboring country.

[Question] When exemptions are given, the outcome must be measured. If people who get exemptions in the various activities produce no results in the form of increased production, then the exemption is misplaced and must be reconsidered, isn't it so?

[Answer] Production is the outcome of the efforts of both sides, the government and the citizens. The producer's conscience must awaken in order that he may work honestly. This is the major part of what we seek. The smaller part lies in the question: If we give an incentive, then what is the outcome of this incentive? There are activities that emerged when these incentives were offered. In industry generally, such activities would not have materialized in Egypt if such incentives had not existed. It is possible that

at the outset incentives were given for activities that should not have gotten them, such as the consumption activities that create a consumption pattern. This situation developed under the canopy of a lack of controls regarding the projects that should get exemptions. In our assessment of the past period, we have said that these exemptions must be rationalized. Consequently, Customs Law No 91 of 1983 was issued and studies are still under way to find out all the consequences and new developments so that we may achieve better rationalization insofar as the granting of exemptions is concerned. As for the income tax, there is a study being prepared with the participation of the World Bank to find out the impact of granting such exemptions, both the projects that should enjoy the exemptions and the projects that should not have enjoyed them. This requires profound studies and this is why the International Construction and Development Bank has taken part with us in this regard.

[Question] Ordinary people generally say that employees are the ones who pay the taxes and that the other sectors do not pay any taxes, especially the private sector in the form of small boutiques that have spread to a great extent. Is it true that only the employees carry the burdens of the taxpayers?

[Answer] There are some people who say this. But I stress that the statement is groundless because all the taxes collected from employees do not exceed 51 million pounds out of a grand total of 2.3 billion pounds. This is a very small part, considering the number of employees with an annual income of more than 960 pounds, plus 10 percent human consumption and other incentives that are granted free of tax. Who is the employee who earns more than 2,000 pounds and who is subject to the work income tax, not to mention the general income tax, when there are exemptions that exceed the exemption limit, which is 2,000 pounds? This feeling is perhaps due to the fact that the employee is the citizen whose income sources are fully known to us whereas the people engaged in commercial or industrial activities have available to them, in accordance with the law, means through which to reduce their tax burden, such as the use of a car for personal purposes and personal expenses. The examples are numerous and they are called in the science of finances "tax evasion." This evasion exists throughout the world and comes through various types of expenses which it can be claimed reduce the tax burden a little. But the employee's situation is different and controlled. But do the employees shoulder a large part of the tax burden when they pay 2-3 percent of this burden?

[Question] As long as we are talking about improving the tax collection instrument as a fundamental policy, there has been talk about introducing the computer into the tax activity for 10 years. What is the situation at present and is the computer in operation or not?

[Answer] The computer is in operation now but the citizen is not aware of the fact. The computer's current task is to collect the deduction and addition data and to record every taxpayer's transactions. Consequently, the computations are made on a sound basis. The computer's task also includes preparing an alphabetical list of the taxpayers so as to ensure that none is

dropped. This alphabetical list is already available. A list of taxpayers paying through deductions at the source has also been compiled. The same applies to other taxpayers and to keeping their accounts under control. The computer's use expands with increased training and with the increase in the agency's activity. The most important thing to the Tax Agency is the deduction and addition process because it keeps track of the taxpayer's activity. Next in importance is the alphabetical list, which has been completed, and the taxpayers' accounts which are recorded in the computer. At present, the employees' accounts are produced each month by the computer. As for the commercial or industrial activity, the tax rate must be first set and the taxpayer must approve it. It is then introduced into the computer. The process of preparation of data by the computer is preceded by several other processes.

[Question] When a surplus is achieved in the budget, what will the citizen experience?

[Answer] First, the inflation wave will vanish and it will be possible to finance services that are more beneficial to the citizen because the more the revenues grow, the greater becomes the government's ability to render basic services to the citizen. The main problem in increasing the revenues lies in production.

[Question] Many people complain of the process of price-setting currently enacted by the customs agency and of the certificates of origin and of commercial advisers.

[Answer] There is no doubt that a small number of these complaints is justifiable and a large number unjustifiable. I personally follow up on such complaints. There are some people who believe that when they import in bulk, the customs fees should be levied on the basis of especially reduced prices. This is something which no customs laws in the world acknowledge because deductions mean that there is more than a single tax vessel, depending on the deduction rates. The commodity will, of course, be sold on the market at unified prices, even though it has been subjected to varied deduction rates. This is why the tax burden should be the same for the same commodity and why the laws of the entire world say that the price of a commodity is determined by competition in the market, without any deductions. Any deduction that the importers obtain will be enjoyed by the importer personally and not by the consumer. As for customs purposes, there must be a single rule applied to all. There is also a group of importers who submit false bills, many of which have been seized. There are various cases and forms of tampering. In case a bill is submitted showing a lower value than it should, then the price difference will be added. This will not be done offhandedly but in accordance with other bills from the same producing country or in accordance with the bills of another importer showing different prices.

As for the other small number of taxpayers who import goods for which there are no bills to be presented to the customs agency, these goods will be dealt with on the basis of an approximation of the product to the nearest country. Approximation is not, of course, logical because of the difference of circumstances. This practice has come as a result of the fact that in the past 10

years, commodities with which the customs agencies had no prior experience have come into the country. We are now working to strengthen the customs agency in this regard. There are importers who say that the bill has been authenticated abroad whereas the authentication concerns the signatures, not the prices.

The new development in the procedures is the formation of permanent arbitration committees comprised of permanent employees. There are initial and final arbitration committees. Anybody with a complaint can resort to an arbitration committee which consists of a customs representative, a representative of the Chamber of Commerce or of the Industries Union, and a third representative selected by both sides. This committee will determine how the dispute between the taxpayer and the agency should be settled. The system will go into operation as of the beginning of this year and calls for disputes to be settled within 15 days. This system will give the taxpayer the confidence of getting his right by way of the full-time specialized committees.

[Question] What are the impressions you have developed from your surprise visits to the work sites--visits which are repeated two or three times a month--and what are the results of these visits?

[Answer] There is no doubt that these visits help one familiarize himself well with the problems and enable him to make the decisions. Numerous immediate decisions have been made during the visits and have helped overcome many obstacles. For example, during my latest visit to Alexandria I encountered a dispute between a taxpayer and a customs officer. It was the taxpayer's opinion that he should pay the customs fee in accordance with the prices he displayed and then wait for the arbitration committee to make a decision on the prices, offering at the same time to deposit a surety with the customs authority covering the value of the customs payable for the difference in the disputed prices. The customs officer rejected this solution but I agreed with the taxpayer in principle so that the goods may not be held back and saddled with storage costs and other costs while waiting for a decision on the issue. The visits are beneficial for following up on the steps we are enacting to develop the customs operation. The handling of customs affairs concerning the public sector through the banks has begun. When opening a line of credit, the customs clause and tax are deposited and when the shipping documents are received, the customs fees are paid at the bank which then delivers the goods. If the goods comply with the certificate received by the bank, they are released. This system will also be applied to the private sector. This means abolition of the temporary release procedure. The problem in this system is that many importers do not produce the document showing the actual commodity to be imported. For example, an importer says that he wants to import a certain commodity but fails to explain its specifications, even though there has to be a catalog defining these specifications. If he presents the catalog, this will help define the article and the commodity price accurately and there will be no place for disagreement.

[Question] It has been announced that a number of commodities will be reexamined and that the price of the dollar used for tax purposes will be reassessed on the basis of the incentive price. These commodities do not,

of course, affect the broad masses. However, it is noticed that any increase in the price of a commodity affects the other commodities.

[Answer] Studies are under way. Generally, the other goods and services will not be affected. We must make a distinction between a rise in the prices of other goods and exploitation, which must be fought.

[Question] Will the Egyptian industry protection law be tied to the customs tariff and is the intent of this law the protection aspect fundamentally or the encouragement of industrial projects?

[Answer] One part of the real development sought in the coming phase is to eliminate the contradictions within the customs tariff so that there may be coordination between the raw materials, the semiprocessed goods, and the final products. The latest customs tariff was issued in 1980 but the developments and the increased industrialization have brought about the appearance of final products that pay lower customs fees than semiprocessed goods and raw materials. Consequently, this contradiction has to be reconsidered. This is the basis for developing and protecting the local industry. It is unreasonable to have an imported commodity costing less than a similar locally manufactured commodity because of the high customs fees on raw materials and production requirements. This is why there has to be harmony between the production requirements and the fully processed imported goods so that the latter may be subject to a high tax.

[Question] The call for the rationalization of spending, especially government spending, does not, of course, mean weakening the activity but rather maintaining this activity at its present level. Is it left up to the authorities concerned to employ this rationalization as they see fit? For example, should trade attaches be dispensed with to reduce spending, even though our main problem is an economic problem which the world shares and even though the presence of an economist in our embassies abroad has become a necessity? Is every agency allowed to choose the rationalization system it wants or is the Ministry of Finance responsible for seeing that the rationalization of spending comes in a manner that does not affect the activity?

[Answer] Rationalization's objective is not a reduction for the sake of reduction but a reduction justified by the lack of a yield from the spending. This rationalization comes as a result of the meeting of the various agencies to study how to render the service at the lowest cost. The spending is channeled toward whoever performs the service, within the framework of integration among the various agencies.

When assessing the expenditures, the Ministry of Finance asks the agencies concerned to show the yield from the spending. The agencies are the parties capable of determining the yield. The Ministry of Finance's role is a role of examination only to make sure that there is no excess in spending to achieve the same yield.

[Question] The recent increase in the prices of some services and commodities has been used as an instrument to rationalize consumption, such as the consumption of electricity. Is this an existing policy to reduce the consumption in a number of commodities or are there policies other than raising prices to rationalize consumption?

[Answer] Insofar as rationalizing consumption is concerned, there are two ways: rationing and prices, especially if a commodity costs the state heavily. The construction of an electricity plant, for example, costs the state an average of \$750 million. If we want to build more plants, then there has to be a yield that can be reinvested because the lender refuses to advance loans unless he is certain that the utility's revenues can pay the loan installments. In electricity, there are two kinds of consumption: home consumption and industrial and commercial consumption. Egypt has surpassed the entire world in home consumption and we find that 45 percent of the total consumption is home consumption and 55 percent is commercial and industrial consumption. This is a percentage unmatched in the world. We also find that the annual consumption growth rate is 15 percent. With this rate, can I build a plant every 5 years?

There is no other way but to rationalize the home consumption growth rate which affects the industrial activity and to meet the increase by building new plants. Anybody with a consumption exceeding Schedule 1 because he uses numerous electrical appliances, be they air conditioners, heaters, or whatever else, must shoulder part of the cost. It is unreasonable for the state to subsidize him.

[Question] If there is an energy crisis, then raising the price will not in itself curtail consumption because the sector consuming energy is always capable of paying. The rationalization should take the form of decisions, especially in the public commercial sector which is excessive and undisciplined in electricity consumption.

[Answer] The effects of raising electricity prices have shown in the drop in consumption from 15 percent to 13 percent because price is what affects the behavior of the individual. The real price of a commodity is the best guide leading the consumer to determine how to consume a certain commodity.

[Question] What are the results produced by the negotiations?

[Answer] Every lender has his terms. He presents them and we either accept or reject them. We are now on the path toward reaching a solution to this problem because the importance of the fund is that it certifies that our economy is capable of meeting its burdens. This is a certificate that enables it to engage in lending and borrowing with the international community as a whole. We are not lax with the fund and we exert efforts to clarify the method which must be followed economically and socially so that we may not expose society to any upheavals.

[Question] Regarding the export problems, especially the problem of reimbursing the drawback fees, the exporters are still facing complexities that hamper their activities.

[Answer] A period of only 15 days has been set for reimbursing the fees. If there are any complaints, we are prepared to settle them, provided that the proper procedure for drawback and temporary permits is followed. Anybody with a complaint should come to me personally.

[Question] It has been announced that there are special studies on wages. Where have these studies reached?

[Answer] The studies are before the minister of administrative development and they are expected to come with the next budget. Their objective is to tie wages to production and to the inflation rate and to open the door of incentives for the producers.

[Question] What is the outcome of the customs simplification studies?

[Answer] These studies seek to reduce the number of customs tariff articles from 24 to 8 articles and to reassess the customs tariff. In one respect, the simplification of procedures began as of 1982-83. At present, the development is being made on the basis of using the banks as a means to simplify the procedures by submitting to the banks all the necessary articles and documents. When the shipping documents are received, the customs fees are paid. It is permissible to have a current account with the customs. This will be applied at the new Damietta port so that the importer may have a current account at the customs from which the fees are deducted when the taxpayer receives his goods. The only thing to be done will be to check the goods and to see if they comply with the bills and documents. This system will solve many problems, will simplify numerous procedures, and will eliminate the phenomenon of accumulation. The patterns of customs work will also be developed to keep up with technological developments. The disputes between the customs authorities and the taxpayers will be settled by arbitration committees which will begin operating as of 1 January. The committees' members are full-time members.

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EGYPT

HEAD OF COPTIC CHURCH VIEWS CURRENT POLITICAL ISSUES

Cairo ROSE AL-YUSUF in Arabic 6 Jan 86 pp 22-24, 59

[Interview with Pope Shanudah by Yusuf Hilal: "Pope Shanudah to ROSE AL-YUSUF at the New Year: The Great Awakening, by Participating Actively in Solving Problems"; date and place not specified]

[Text] My meeting with his holiness Pope Shanudah came after a long wait. It had become difficult to get an appointment with his holiness because he spends most of his time on retreat in the monastery. He loves the life of solitude and contemplation, far removed from the noise of the city and the commotion of life.

The time left to him is almost enough for the important necessities.

Nonetheless, my meeting with his holiness the pope was lengthy. In the course of it, he spoke frankly and with his customary spirituality and clear words, which issue forth directly from his heart.

[Question] Your holiness the pope, the past year has witnessed many important events which were influential locally and abroad. What are the most important of these events, in your opinion?

[Answer] Among the most important events of the last year were the aggression against Tunisia, the hijacking of the Egyptian passenger plane and the incident concerning the Italian ship. These are all events which had a great effect on many people's spirits. There was also the change of regime in the Sudan and the presence of a new government under the leadership of President Siwar al-Dhahab, to whom we hope God will grant success in solving the existing problems, especially the problem of the split with the south.

Another important event was the agreement between Egypt and Jordan. That was something that gladdened one and that was to be hailed, as was the inclusion of Egypt in the Islamic conference, because its inclusion in the Islamic conference affords an opportunity to meet with many Arab peoples and Islamic leaders who at the same time are members of the Islamic conference.

The improvement of relations and elimination of the former tension with these countries is undoubtedly a positive step, as is the improvement of relations with Iraq. It is true that things have not gone back to their normal state, but the improvement of relations is continuous and the former tension with the Arab countries now does not exist.

However, restoring relations to their former state will take a gradual process and time. Egyptian relations with many countries of the Eastern bloc have also witnessed a great improvement, and Egypt's policy has become one of pacification which works in a positive way without impinging on others.

Other important domestic events were the problems of addiction and drugs and their effect. These are problems which have imposed themselves and which many people are talking about, in particular as regards efforts of the government, individuals and societies to resist this problem, as well as certain crimes which have shaken the society at some times, such as the crime of the person who killed both his parents and other crimes alien to our oriental society, which people had not been familiar with before.

Another important event has been the summit meeting between the presidents of the United States and the Soviet Union. Although its results are not evident, nonetheless it was an important event, as was the Cairo declaration, in which Yasir 'Arafat spoke about the Liberation Organization's policy.

/Question/ Has your holiness met with Mr Yasir 'Arafat in Cairo? What went on during this meeting?

/Answer/ Yes, there was a meeting between us. Yasir 'Arafat visited us at the papal headquarters in al-'Abbasiyah. This was not the first meeting, because we had met him before. The meeting was one of a series of meetings Yasir 'Arafat had in Cairo during his recent visit. Most of the talk concerned the desire on the part of all of us that the Palestinian people should have a country where they can be at peace, because as long as the Palestine problem exists the Middle East will be in a disturbed state and many countries in the world will also be in a disturbed state.

We want a sound solution to the Palestinian problem, the creation of a nation for our Palestinian brothers and sympathy with them concerning the presence of their nation, because the human conscience does not accept that there should be a people that do not have their own nation and that many countries and policies should push them around in order for them to attain a center for themselves, whatever that center might be.

/Question/ What are Pope Shanudah's hopes regarding the new year? What do you expect will happen in Egypt and the world?

/Answer/ Our first hope as far as the new year goes is for peace and prosperity, peace for belligerent countries and welfare for countries which are suffering from drought and hunger. Our hopes also are that the world will draw closer to God and have spirituality in its life. Perhaps because of God's anger, more problems than this are created.

Our hopes as far as Egypt goes is that there will be broader steps to pay off Egypt's debts and greater participation in them by the people. We hope that Egypt will solve the economic problem, which represents a great danger as far as the country and the state of its economy go, especially the state of the toiling people and the poor classes. We also ask God that national unity grow deeper and deeper and that the whole country become a single spirit and a single heart regarding all political and religious aspects and sympathy among people. Our hopes also are that our young people will be concerned with their future, will be concerned with their spirituality, will distance themselves from all bad habits and will distance themselves from drugs, which destroy them, and that a cure or way out will be found for the problem of terrorism, which threatens the world and threatens devout persons, such as ordinary passengers who have nothing to do with politics, war or schisms.

That is what we hope. As to what will happen, I cannot predict anything. Rather, I expect that things will calm down somewhat in Lebanon. An agreement was made among Lebanese parties recently, but I am not so concerned with this agreement as with commitment to it, because agreements have often been signed and quickly broken in a few days. I believe that people have become tired of the war of attrition among all parties, from which there is no benefit for anyone. I also expect that new parties will present themselves, requesting to register themselves with the committee on parties.

/Question/ President Husni Mubarak has declared the great awakening. What will be the form of the awakening, in your holiness' opinion?

/Answer/ I consider that the greatest great awakening is the feeling on the part of everyone in the country of his country's problems and his practical participation in the solution of these problems, that is, to have the people awaken to an awareness of the country's problems while participating in them. There is nothing easier than to have problems where some people assume the position of an observer or the position of a critic or someone who pretends to grieve over the state of the country with regard to them.

However, the proper condition for the people's awakening is for everyone to participate practically in the existence of solutions to the country's problems. In addition, an increase in production is necessary. The more production increases, the more that will work toward the country's strength. The third point is that the wealthiest people should be confident about investing their money inside the country rather than exporting it and crowding the international banks with it, if it is possible to have constructive, assured projects which will encourage the investment of Egyptians' money abroad inside the country, and they will receive reassurance over the interests of their money and profits. That will yield a major benefit.

Therefore everyone must realize what his country's problems are and help solve them through production and an increase and improvement in production and also by investing money abroad within Egypt, with everyone's cooperation, because schisms threaten the country with destruction and everyone must

become united around a single vision on the country's behalf, for it is very easy for people to criticize and it is not easy for them to participate in construction. It is easy for any young pupil to criticize a verse of poetry, but he cannot write a poem. Criticism is easy but contribution to work, construction and the solution of problems is the solution the country needs.

I believe that all Egypt's problems are due to the terrifying increase in the population, and there must be limits to the increase in the population, because every new population increase will add to the economic problem and require housing, job opportunities, health and educational services and so forth, therefore constituting a great burden on the country. This is a problem which gives rise to many problems.

/Question/ A substantial period has passed in the experiment with the presence of a number of parties. What is his holiness the pope's view regarding this experiment?

/Answer/ The fact is that Egypt has made very large strides along the road to democracy in President Mubarak's term and also in the term of President al-Sadat, who began the shift from the policy of a single party and the absolute absence of opposition to the presence of a number of parties and an opposition press. The situation has evolved in President Mubarak's era to the point where there are a large number of opposition party members, totalling 60 within the People's Assembly, and this is the first time this has been the case for a long period.

President Mubarak has also appointed members from opposition parties to the People's Assembly. That is undoubtedly a noble gesture on his part, sure proof of his concern for democracy and proof that he wants to give the opposition a chance to express its opinion and say what it wants. President Mubarak's meeting with the leaders of the opposition, the presentation of matters to them and consultation with them on some matters has also been a new style which did not exist previously.

There is no doubt that democracy has advanced greatly and that politicians want further steps. Of course it is necessary to proceed gradually in this regard. The factor of time must be present. The better the exercise of democracy, the more democracy they will be given.

However, people must not exploit democracy in the wrong way and there must not not be improper aspects to it, for instance when some people exploit the atmosphere of the existing democratic atmosphere we enjoy in Egypt. We thank the lord that it has been possible to control the excesses which occur and put a limit to them. One of the means for the growth of democracy is its proper use so that the ruler and the ruled may be convinced that the democratic atmosphere has benefitted them.

/Question/ Could his holiness the pope reveal to us the secret of the dispute which arose between himself and President al-Sadat?

/Answer/ The important thing I must state is that the patriarch or the pope in the church has a fatherly relationship with his children, not a leadership relationship. He has the feeling of a father, not the feeling of a leader. Every father can defend his children without our calling him the leader of the family; rather, this is the spirit of fatherhood. As far as President al-Sadat went, he should have known that the pope is first and last a father and understood the notion of fatherhood with respect to the pope. Nonetheless, we are not at all preoccupied with politics. Not at all.

All the political subjects which we discussed were sought from us; we ourselves did not seek to speak or talk about them. There is an important point which everyone must know, that serious political events are taking place every day. Must the pope not take a position on anything? That is, if you come to me someday and ask me about the problem of Afghanistan, and I say I do not talk about politics, won't the accusation be made of me that my feelings are immobile regarding an oppressed people on whom pressure has been put and whose country is occupied? I am supposed to speak the truth, as a man of religion.

There also are specific events to which everyone reacts. Are a man of religion's feelings supposed to be frozen in the face of all events? Nonetheless, there are people who come to us and ask us about events. Our whole response concerning these things are answers which are in keeping with the country's opinion and with national public opinion, and I never happened to intervene in the country's politics in any way. That never happened at all. All the situation entails is that in President al-Sadat's era I presented some of the Copts' conditions to President al-Sadat.

I told him once, in one of my speeches to him, "Mr President, we are dealing with you as a government, not as an adversary." We talked with him on the basis where he had given himself the nickname "the senior member of the family." We wanted to talk to President al-Sadat as a senior member of a family about some of our problems as Copts, and there were absolutely no politics in this matter at all. It is also in the government's interests to know conditions among the Copts, as part of the people.

Believe me, leadership cannot be a goal of a man of religion, because the man of religion feels that his spiritual work is loftier than any other, and that does not mean that I should be a leader or something else. What is the meaning of leadership? The person who is a leader is supposed to deal with the framework of the country as a whole, and not the framework of the Copts. That is a claim and is not leadership in any way.

/Question/ Your holiness previously declared a refusal to travel to Israel. What are the reasons for this refusal?

/Answer/ That was actually a long time ago. There were two reasons for that, one local and the other general. The local reason was a private dispute between the Egyptian church and Israel, which is the problem bearing on

the Egyptian church's ownership of the al-Sultan Monastery. The general reason is the Palestine cause in general and the feelings of our Palestinian brothers and our Arab brothers in general. Therefore, I have steadfastly advocated visiting Jerusalem only with our Arab brothers all together and our Moslem brothers as well, and we will not take a special, separate approach on this subject.

/Question/ Deviant conduct among young people and incidents of theft and addiction have been among the most conspicuous features of the past year. How can these problems be dealt with, in the view of his holiness the pope?

/Answer/ I believe that young people's problems are in reality the problem of the void these people are living in. Young people who know how to spend their time to build themselves, their minds and their future are not to be worried about at all in terms of deviant conduct, because they do not find time for deviant conduct. We are supposed to bring young people up to respect their time. Time is part of life; what is our life but a collection of periods of time? If a young person can use his time to build himself up, that can benefit him and benefit society. If a void exists, there is deviant conduct. Therefore, it is necessary first of all to not just mean a void from the standpoint of time, but rather an intellectual and political void as well.

As far as the problem of addiction goes, one cause of it is bad models or bad companions. If we teach young people how to choose their friends and companions in life well, we will be protecting them from the evil of these habits. The second matter is that there are problems which people who are concerned with them imagine they can cover with drugs, like psychologically on nervously distraught people, or people who have lost hope in life and feel deprivation, they find a way out of their problems in this way and an escape from reality in living in another atmosphere, and imagine that they will be able to lead another life removed from their problems through addiction. We are also supposed to teach young people how to deal with their problems and not deal with problems through other problems.

Young people also need people to help them build their personality. We cannot take a position of observers with regard to young people, but must rather take the position of people who are in solidarity with them in building their personality in a sound way, where young people's leaders will be cognizant of young people's problems and ways of solving problems in a manner which is in keeping with young people's mentality. Young people basically need people to take their hand and lead them in a proper manner, not people to criticize their actions and mistakes. It is necessary to seek sound means to attract young people, which will become a policy of substitution, so that we will give them a different depth to take the place of the deviant depth that exists within them.

This requires great care. Let us not forget the effect of the home, the family and the presence of two forms of extremism in the family environment which lead to deviant conduct. The first form of extremism is total laxity

in leaving children free where there is no one to control them, and the second form of extremism is violence in upbringing, where young people look outside for hearts which will love them and seek refuge in deviant behavior. However, if there is friendship between the young person and his family, he can present his problem to them and they can be easily solved without their getting worse.

/Question/ The glorious Christmas is soon to come. What does His Holiness Pope Shanudah say about this occasion?

/Answer/ The holidays are actually the time of greatest preoccupation, burden and vigilance as far as I am concerned. As far as I am concerned, intellectually preparing for the holiday takes great effort, especially the material I write for papers and magazines and the reception of official visitors and people, which is a burdensome process. People relax during the holidays, but I exert great effort during these days. So that these days may be a period of affection, I meet with many people I like, whether they are men in the government, friends or people from various bodies in the course of them, and it is a nice opportunity from the standpoint of affection and the exchange of views and greetings.

I also go to the monastery right after the holiday. It is hard for a person to spend all his time in the turmoil of the city and the press of work and meetings. Everyone, not just me, needs a period of calm, privacy, rest and quiet work. Sometimes I receive hundreds of letters and can find time only to read and answer them in the monastery. This is a period of calm, a period of spiritualism, and a period of privacy and remoteness from noise and crowds.

In reality, I like the desert and the mountains, and I like the monastery. When I became a monk, I did not do so to become a patriarch. Not even one millionth of that was in my mind. My whole goal was a life of solitude and quiet; monasticism in Christianity is severance from everything in order to link oneself to the one being, and the one being is God. Unfortunately these days I have not been given this opportunity, and in the press of work I have found, without a doubt, that when people are alone they can think clearly, can spend their time with God and can return from their solitude with greater love for people and acceptance of them.

At the end, I would like to greet all Egyptians on Christmas. Christ belongs to everyone. We also greet our brothers who are abroad on this holiday and hope that it will be a blessed holiday for us all, Moslems and Christians, blessed for our whole country, and a suitable opportunity for all hearts in affection with one another. Happy holidays.

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EGYPT

CONSULTATIVE COUNCIL CHAIRMAN UNDERLINES FREEDOM OF PRESS

Cairo MAYU in Arabic 6 Jan 86 p 10

[Interview with Dr Subhi 'Abd-al-Hakim, Consultative Council president and Higher Press Council chairman, by Sana' al-Sa'id: "Dr Subhi 'Abd-al-Hakim: There Is No Custodianship over Pen or Opinion"; date and place not specified]

[Text] There is no dilemma and no crisis insofar as the Egyptian press is concerned because it enjoys today a degree of freedom it has never experienced before. The press is fundamentally the people's press and an extension of the people's freedom. Contrary to what some people imagine, the press is not a propaganda agency for the government and its policies.

Amidst all this, there are reaffirmed facts saying that nobody has been or will be forbidden from writing in Egypt, that no custodianship is imposed on writers, that free opinion is not confiscated, that the government does not interfere with what the national papers tackle, and that there is no suspicion of influence or of subservience to the state. This is what is confirmed by the week's interview with Dr Subhi 'Abd-al-Hakim, the Consultative Council president and the Higher Press Council chairman.

[Question] There are those who believe that the Egyptian press, like all the establishments in the Arab world, is undergoing extremely difficult circumstances which, if not constituting a crisis, constitute a historic dilemma, considering that all the instruments and all the ideas are part of this dilemma. What is your viewpoint?

[Answer] Generalization is perhaps one of the maladies with which we have been afflicted in the Arab world. If you mean all the establishments in the Arab world, then this is an unacceptable generalization. If you mean the press establishments in the Arab world, then it is also an unacceptable generalization. Today's Arab world is very much like a mosaic in which differences and disagreements, whether in terms of the system of government, of the relationship between ruler and ruled, or of the space of freedom available to every Arab people, show prominently. This disagreement and difference also apply to the press in the Arab countries.

I, as a regular reader of the Arab press, can say that there are obvious differences and disagreements between the Arab world's press establishments. We cannot say that freedom of the press is exercised in all the Arab countries

and we cannot say that the space of freedom available to the press is the same in the Arab countries in which the press exercises freedom. I can assert that the Egyptian press exercises its freedom that exceeds by far the press freedom exercised in any Arab country. This is in addition to the fact that the freedom enjoyed nowadays by the Egyptian press is unprecedented in this press' history.

[Question] But criticism is directed at some chaotic features embodied in vituperations and in the settlement of accounts between some writers in a manner that may cause this press to stop being a press of opinion.

[Answer] There is no doubt that freedom is a two-edge weapon.

Freedom has its positive features. But at times, it is not free of negative features. However, the positive fruits we reap from freedom exceed any negative features which we may experience. It is hoped that the elements of maturation will become available in the exercise of this freedom, whether by the press or at the level of partisan activity. This is because exercise requires an adequate amount of time to mature.

It Is Not New Formula

[Question] Some are demanding these days the abolition of the Consultative Council on the pretext that it is unreasonable for us to create a council in order to say that it owns the national press.

[Answer] First, it is not true that the Consultative Council was created to exercise the rights of ownership of the national press. What is true is that the Consultative Council is a parliamentary council created side by side with its sisterly National Assembly to strengthen, support, and back this assembly. The Egyptian parliament's formula of two assemblies is not new to Egypt. For nearly 30 years from 1924 to 1952, the Egyptian parliament was comprised of two assemblies, namely the Senate and the Chamber of Deputies. No voice rose at the time calling for abolition of one of the two assemblies and for being content with one assembly. When parliamentary life was restored to Egypt in 1957 after the inception of the revolution, it was decided at the time to be content with a single assembly, namely the National Assembly, later called the People's Assembly. When the need called for two assemblies instead of one, a popular referendum was conducted on amending the constitution and the constitution has since contained a special section concerning the Consultative Council. Therefore, the formula of two assemblies is not new to Egypt's parliamentary life. Moreover, the formula of two parliamentary assemblies is not alien to the world.

More than 50 countries of the world engage in a parliamentary life consisting of two, not one, assemblies and they are led by the most deep-rooted democratic countries in the world, namely Britain, France, and the United States.

[Question] Those who call for abolishing the Consultative Council also say that the election of this council's members is undemocratic.

[Answer] The Consultative Council law drafted by the People's Assembly before the council was created is the law that spells out the nature of this election. Let us then try to amend the method of election instead of calling for the council's abolition.

[Question] If, as you say, the Consultative Council was not created to exercise the rights of ownership of the national press, then is this council's ownership of this press a superficial ownership?

[Answer] It is not true that somebody owns the entire press. The text of the constitutional amendment states that only the national press, which belonged under public ownership prior to the Consultative Council's creation, is an independent popular authority which shall exercise its message in the manner prescribed by the constitution and the law. The law empowers the Consultative Council to exercise the rights of ownership on behalf of the people in its capacity as the Egyptian family's council. I believe that this form of the exercise of ownership insures the freedom of the press because the exercise of ownership by a parliamentary council steers this exercise clear of the government. The government no longer owns the national press and no longer exercises the right of ownership over it. This right has come to belong to a parliamentary assembly, namely the Consultative Council.

[Question] Is it an exercise of the rights of ownership or of management?

[Answer] Since its founding, the Consultative Council has been careful not to mix management with ownership rights. Management belongs completely to the national press establishments through their boards of directors and their general assemblies.

The rights of ownership exercised by the Consultative Council have been confined, in accordance with the law, to the selection of the chief editor, a number of members of the board of directors, and a number of general assembly members of each establishment, in addition to the members elected freely by the workers of each establishment. The council also selects a number of public figures for membership on the Higher Press Council.

[Question] What does this mean? Doesn't it mean intervention in management?

[Answer] It means that the Consultative Council hands over the trust to the press establishments and to the Higher Press Council. The constitution states that the Higher Press Council shall be in charge of press affairs and shall exercise its powers in a manner that bolsters the freedom and independence of the press. Let us not stop here at the limits of the constitutional or law provisions and let us move to the actual practice. The Consultative Council came into existence in November 1980 and the Higher Press Council came into existence on 8 December 1981. Let us ponder the procession of the Egyptian press from December 1981 until the present and let us ponder the freedom this press now enjoys and which it has never enjoyed before.

Those who cast doubts on the freedom of the Egyptian press must show me a single instance of intervention or of a suspicion of intervention to diminish or curtail the freedom of the press by the Consultative Council in its capacity as the executor of the ownership rights or by the Higher Press Council which tends the press affairs and bolsters its freedom and independence, keeping in mind that the Higher Press Council includes not only representatives of the National papers but also the chief editors of all the partisan papers. The minutes of the Higher Press Council for the past 4 years are not a secret and they demonstrate truly that the council has worked throughout the past 4 years, and will continue to work, to bolster the freedom and independence of the press.

Most Appropriate Form at Present

[Question] Somebody may say that the Consultative Council president's selection of the chairmen of the board of directors and chief editors of the papers, as well as a number of members of the managerial boards and of the general assemblies, may lead to diminishing the freedom of the press.

[Answer] I believe that the form charted by the law continues to be the most appropriate for the Egyptian press establishment at present. I am not a fan of those who pursue the glitter of election in all work sites out of their belief that this is democracy. Democracy is founded on the election of the people's representatives to the parliamentary assemblies, not on election to executive positions. This is because the executive positions are subject to the control of the parliamentary assemblies formed by the people's representatives, or else we would find those who demand that the minister or prime minister be elected to his post, that the head clerk of any government office be elected to his post, or that a theater manager be elected to his post. Such conduct has nothing to do with democracy but may lead to trouble at the work sites and trouble in work relations within the work site.

[Question] Within this context, do you believe that the national papers are truly national, especially since there are those who doubt this, who emphasize that this categorization does not reflect the truth, and who claim that these papers go along with the regime, whatever it is, and reflect the government's viewpoint only?

[Answer] What is meant by the national papers are the papers belonging to the people's public ownership and over which the Consultative Council exercises the right of ownership. These papers are truly national because they are a podium open to all opinions. There is no better proof of this than the fact that they publish daily opinions and counter opinions without any restriction or instruction. Let us, for example, read the columns of the three dailies, not to mention numerous other articles published by these papers, and we will fully realize that these papers do not reflect the government's viewpoint only but also reflect the viewpoints of all.

Another proof is that one of the dailies published a few days ago an article by one of its "national" writers attacking the Higher Press Council itself which, in accordance with the constitution, is in charge of press affairs.

Nobody prevented the publication of this attack and nobody got worried by such an attack. The law charts the method of responding and correcting in such cases.

Bylaws Already Issued

[Question] In this regard, may we bring up here what some journalists have recently raised, namely that not all the articles of the bylaws have been fully discussed by the Higher Press Council in the past 4 years?

[Answer] This is not true. In its first year, the Consultative Council had to draft the press law's executive bylaws in accordance with the law so that the Higher Press Council may be established. Had the Consultative Council not drafted the bylaws, we would not have been able to form the Higher Press Council and the implementation of a constitutional provision would have been obstructed. During the debate on those bylaws, the Consultative Council was subjected to a ferocious attack by a number of brother journalists. I tell you truly that the attack was not on the articles of the bylaws but on the press law itself. It seemed that some journalists did not want a press law. The Consultative Council endured that attack until it issued the bylaws, established the Higher Press Council, and turned the trust over to this council. The Higher Press Council members then demanded the issuance of new bylaws. The drafting of and debate on these bylaws has taken some time. It is not true that the council has not yet completed drafting these bylaws. What is true is that the council did complete the bylaws and that the press law's executive bylaws have been issued by the Higher Press Council and have replaced the old bylaws, which continued to be valid until the new bylaws were issued.

[Question] Some people hover around reports circulated recently about attempts to ban or oust some journalists from the writing arena, which is in conflict with free expression and with the freedom of the press.

[Answer] To start with, I have an observation on the way the question is phrased. There is no journalist who used to write in a certain paper and who was banned from writing during [rest of answer dropped].

[Question] But is there a specific group banned from resuming writing?

[Answer] There is no Egyptian citizen, not just journalist or writer, who is banned from exercising the right of expressing an opinion in the press. Whoever reads the Egyptian papers can personally make sure of this.

[Question] Don't you have any apprehensions regarding some writers who may have adverse effects on public opinion or on certain figures in the arena?

[Answer] Whoever reiterates such a statement is the one trying to implant illusions in our minds. There is absolutely no fear of any writer. We are fully confident of the Egyptian reader who, with his intelligence and sharp mind, can make a distinction between lean and fat, good and bad. "Froth dries up and what is good for man remains in the soil."

[Question] Has a decision actually been made or is one currently being studied to prohibit combining work in the national papers with work in the partisan press? If this is true, when will the decision go into force?

[Answer] Let me ask in my turn: Does a decision precede a study or does a study precede a decision? Therefore, if a study is underway on this issue, then the study may or may not produce a decision in this regard.

[Question] Conducting the study may in itself give the impression that you make distinctions between two kinds of presses: a national press and a partisan press. Can such a step be an indirect war on the partisan papers?

[Answer] In our democratic process, I don't believe that it occurs to anybody's mind to strike at the partisan press. It must not be forgotten that the partisan press includes, among others, the National Party papers. This is on the one hand. On the other hand, I would like to point out that work in the partisan papers begins initially with the approval of the National Press Establishment, which gives journalists permission to work for any partisan paper. Therefore, this matter is not within the jurisdiction of the Higher Press Council.

[Question] To what degree can the Higher Press Council motivate and support a strong free press so that it may not be accused of being an instrument of failure or of restriction?

[Answer] This question implies that the Higher Press Council seeks to impose restrictions on the freedom of the press or that it exerts efforts to foil it. The Higher Press Council's actions throughout the past 4 years confirm indisputably that the council works to bolster the freedom and independence of the press and that it has never imposed any shackles on this freedom with its actions.

[Question] Does the phenomenon of combining work for the Egyptian press and for the Arab press reflect mainly negative aspects that need to be reexamined so that they may be brought under control or eliminated?

[Answer] Article 44 of the press law states that it is within the Higher Press Council's jurisdiction to permit a journalist to work in a non-Egyptian paper, press agency, or information medium in or outside of the Arab Republic of Egypt or to engage in any activity in such establishments either regularly or periodically after obtaining the approval of the Egyptian side for which he works. The overwhelming majority of Egyptian journalists working for or writing in non-Egyptian papers have observed this legal provision and have gotten the

Higher Press Council's permit. The council has not stood in the way of any of them. There is a minority that writes abroad without this permit. Yet the Higher Press Council has not tried until this day to take any steps against these journalists out of its eagerness in its first years to bolster and underline the freedom of the press.

On the other hand, there are a number of journalists who write as correspondents for foreign papers without revealing their names. How can we appeal to these people except through their consciences and respect for the law?

[Question] Cannot the wage level be amended in order to safeguard abundance by journalistic work as a value and an influence? Can we not encourage the publications of new papers so that they may absorb the expatriate pens?

[Answer] There is a press law that regulates all these matters. We respect this law and enact it. If some of its articles do not please some people, then let these people try to amend the law before they reiterate such statements, or else they will undermine the supremacy of the law.

How To Amend Law?

[Question] Who is entitled to call for amending some of these articles?

[Answer] Every writer is entitled to call for the amendment of the law. But the amendment procedures are charted by the constitution. They belong to the government and to any member of the National Assembly, keeping in mind that any bill to amend the press law must first be presented to the Higher Press Council and then to the Consultative Council before it is submitted to the People's Assembly.

[Question] But you assert that nobody has been forbidden from writing in Egypt, that no custodianship is imposed on writers, that there is no confiscation of free opinion, that there is no intervention on the government's part in what the national papers tackle, and that there is no suspicion of influence or intervention by the state?

[Answer] We are enjoying a completely free press. There is no custodianship over either opinion or writing and there is no suspicion of intervention, subservience, or influence in whatever is published. I regret that some people keep on talking about the freedom of the press at a time when the Egyptian press enjoys full freedom, unless this freedom is not to the liking of those who reiterate these allegations.

8494/12795

CSO: 4504/157

EGYPT

OFFICIALS OUTLINE MEANS TO INCREASE FOOD PRODUCTION

Paris AL-MUSTAQBAL in Arabic 11 Jan 86 p 2

[Article: "How Does Egypt Plan To Confront Food Security Problem; Egypt's Options To Tackle Food Security Problem Are Either Difficult or Impossible; Agriculture Is Most Accessible Option; How Do Egyptian Officials Plan To Tackle Increasing Consumption"]

[Text] Food security continues to be Egypt's main concern. The population is growing and the cultivable area is diminishing. The attempts to subjugate and cultivate the desert and to broaden the Nile Valley are not enough and are moving at a very slow pace that is incompatible, first, with the decrease in the green area and, second, with population growth, which amounts to more than 2 percent a year. Egypt has several solutions open to it: Either expand militarily and occupy "green countries" to feed its people, force half of its population to emigrate, develop industrially and technologically and export goods and services with which revenues to import its food, supply Sudan with people and money to develop Sudan's agricultural resources or expand horizontally at the desert's expense, and develop the productivity of the currently cultivated lands, considering that it has been proven that this productivity can be doubled.

All these options are either impossible or extremely difficult, especially the option of technological and industrial or of horizontal and vertical agricultural expansion. How do the Egyptian officials think of tackling this situation, particularly since some Egyptian experts believe that 60 percent of the Egyptian people live on imported food?

Dr Yusuf Wali, the deputy prime minister and minister of agriculture and food security, explained the situation, saying that agriculture in Egypt is still the mainstay of the Egyptian economy. This makes all criteria underline clearly the enormous burdens thrown on the agricultural sector's shoulders to achieve the development rates needed to increase agricultural production and revenues so as to meet the increasing consumption needs and industrialization needs and to achieve the export targets, despite the smallness of the cultivable area.

The agricultural policy implemented by the ministry has, according to the Egyptian minister, relied on a dynamic strategy with clearcut features

that keeps pace with international technological progress and that seeks to end the widening food gap by achieving a leap in agricultural production-- a leap which the efforts of all the farmers, scientists, and executive people unite to achieve.

This year (1985), the agricultural development plan entered its 4th year. This is the 5-year plan beginning in 1982-83 and ending in 1986-87. It is to be noted that the private agricultural sector, embodied in more than 3 million private agricultural sector, embodied in more than 3 million agricultural producers combined under the canopy of agricultural cooperation, owns more than 97 percent of the land resources.

The state shoulders the costs of the infrastructure for the reclamation of new lands in order to expand the cultivable area horizontally. The state then makes the reclaimed lands available to those wishing to cultivate them, along with a financial subsidy. The agricultural production's value will amount this year to 6,255,600,000 pounds compared to 6,083,500,000 pounds last year. In determining the production targets, consideration has been given to raising the degree of self-sufficiency in the main crops, to increasing the productivity of the newly cultivated lands, and to increasing the areas cultivated with strategic crops with a high cash value, as demonstrated in the following:

- Increasing the area cultivated with major legum crops from 337,000 feddans to 345,000 feddans. The increase is focused mainly in broad beans and lentils crops.
- Increasing the area cultivated with oil-producing crops, such as flax, sesame, and peanuts, from 116,000 to 147,000 feddans.
- Increasing the area cultivated with soybeans by nearly 27.9 percent, with sugarcane by nearly 1.5 percent, and with beets by nearly 2 percent.
- Expanding the area cultivated with cotton to equal the area cultivated with this crop in past years and curtailing the continuous decrease in this area. The plan seeks to increase this area to 2.2 million feddans, with an increase of 16.9 percent over the 1984-85 area, in order to make it possible to meet the needs of the local cotton mills, to meet the increasing foreign demand, and to curtail the tendency toward the importation of cotton.
- Increasing the area cultivated with winter onions from 22,000 feddans to 33,000 feddans this year.
- Reducing the area cultivated with clover by nearly 185,000 feddans and replacing this crop by other crops.

To meet the vegetable consumption needs, the plan seeks to underline the necessity of using modern technological systems in harvesting, shipping, and marketing crops so as to reduce the loss and increase the productivity.

Dr Wali further said that the targeted production volumes in the 1985-86 plan, which ends next July, call for raising wheat production from 2 million tons to 2,188,000 tons, i.e., an increase of 6.7 percent, barley from 184,000 tons to 193,000 tons, maize from 3,774,000 tons to 3,937,000 tons, millet from 588,000 tons to 621,000 tons, broad beans from 322,000 to 323,000 tons, rice from 3,454,000 tons to 3,737,000 tons, vegetables from 9,888,000 tons to 9,973,000 tons, fruits from 2,161,000 tons to 3,224,000 tons, meats and poultry from 161,000 tons to 167,000 tons, and eggs from 96,000 tons to 100,000 tons.

The minister added that this year's plan will witness the implementation of important projects, such as the beginning of the construction of two locust-control stations in the New Valley, expansion in setting up veterinary units in the governorates and in automatic service stations for guidance, the construction of field drains in an area of 132,000 feddans, the deep ploughing of 219,800 feddans, and the construction of three research stations, in addition to the project to reclaim and cultivate new lands and to improve the productivity of the old lands.

If Dr Wali is in charge of the farms and the land, Dr 'Isam Radi, the minister of irrigation, is in charge of water. His task this year has been extremely delicate and critical. Egypt's water reserve, stored by the High Dam, has dropped seriously as a result of the draught experienced by the Ethiopian plateau throughout the past 6 years. However, rains have fallen this year, heralding an end to the draught season.

Engineer Radi said that he is concerned primarily with the value of the water resources and with safeguarding these resources so as to meet the water demand for drinking, for industry, for generating electric power, for developing river navigation and transportation, for developing the fish resources, and for irrigating the existing cultivable lands. Our means to meet this demand lie in implementing the Upper Nile projects, in the proper use of irrigation water, in the safe exploitation of the underground water stores, in the re-use of sewerage water for irrigation, and in the ideal operation and maintenance of the High Dam. Preserving our water resources in the dam is the foremost concern of the Ministry of Irrigation. This is out of appreciation for the services that the dam has rendered and that exceed many times the costs of the dam's construction and maintenance. It suffices that the dam has spared the country the draught crisis that has afflicted many other countries throughout 6 lean years.

The general plan has sought to follow up on the following projects to widen and deepen the Ismailia canal and its arteries so as to increase the irrigated area from 362,000 feddans to 750,000 feddans:

- Continuing implementation of the first phase of al-Salam canal for the irrigation of 200,000 feddans.
- Completing the irrigation network in the western delta and building a number of drainage plants and canals.

- Completing implementation of the drainage plants to serve 47,600 feddans.
- Supplying a number of canals with drainage water so as to make this water available to nearly 162,000 feddans.
- Building open drains to serve an area of 240,000 feddans, including 120,000 feddans in Lower Egypt and 120,000 in Upper Egypt.
- Building covered drains to serve 210,000 feddans in the various governorates.
- Completing implementation of Western al-Nubariyah drain which serves 280,000 feddans in the western delta.
- Renewing, repairing, and building 48 bridges, renewing 265 barrages, developing the irrigation systems, continuing implementation of the projects to protect the shoreline and to confront emergencies, and reinforcing the High Dam body.

It is evident from this that the Egyptian option lies in as much horizontal expansion as possible, in increasing agricultural productivity, and in paying attention to the fact that Egypt's water resources have become limited because of the population growth. They are conventional solutions for problems that require unconventional solutions. Will Egypt succeed in its wager?

8494/9190

CSO: 4504/149

18 March 1986

EGYPT

FOREIGN PROJECTS AFFECT WATER RESOURCES

London AL-SHARQ AL-AWSAT in Arabic 13 Jan 86 p 4

/Text/ Informed sources in Cairo told AL-SHARQ AL-AWSAT that Egypt is carrying out intense diplomatic contacts with some of the African states of the Nile Valley concerning information it has received on the setting up of projects on the sources and tributaries of the Nile without consulting Egypt, which would affect its share of Nile water.

These "sources" explained that Ethiopia has begun to intensify its international contacts with countries that include the Soviet Union, India, North Korea, and Italy on implementing many irrigation projects that would have an effect on Nile River supplies from the Ethiopian highland, and which would thus have an effect on Egypt's share of Nile resources.

These sources mentioned that the Soviet Union is currently implementing a number of projects, including the al-Firu River project in the Baro/Akobo basin among the al-Subat tributaries in southern Ethiopia. Also, China is implementing a limited irrigation project on the Hari River to supply water for irrigating an area estimated at about 1,000 hectares, "while at the same time Italy has authorized \$150 million to implement a project on Lake Tana, which feeds the Blue Nile."

These "sources" indicated that these projects represent a dangerous precedent to the participation of international third parties in projects that are carried out on the sources and tributaries of the Nile without consulting Egypt or getting its prior approval.

On another subject, the International Food Symposium, which was held in Cairo in preparation for the International Food Conference and which included African experts, said that it would be necessary to achieve self-sufficiency in food by increasing production, fair distribution, and increasing the buying power of consumers.

The symposium, which included experts from 10 states, called upon governments of developing countries to realize the importance of supporting government food programs and achieving food security for citizens.

Dr 'Isam-al-Din Jalal, president of the symposium and member of the consultative committee to the center for science and technology of the United Nations, stated that developing states were asked to create a balance between short-term and long-term policies.

It is expected that the International Food Conference, which will be held in Zimbabwe, will discuss the symposium's recommendations, in preparation for its meeting, as a course of action to be followed by member states in the center for science and technology, which are estimated to be about 162 states.

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CSO: 4504/191

EGYPT

MEASURES TO END ALEXANDRIA POLLUTION ADOPTED

Cairo AL-AKHBAR in Arabic 22 Jan 86 p 6

/Article by 'Isa Murshid/

/Text/ Fawzi Ma'adh, governor of Alexandria, confirmed that beginning next summer, the shores of Alexandria will be free of any trace of pollution, after the emergency plan is put into effect, for which the government has authorized an amount of 100 million pounds to close sewer outlets into the sea and establish 12 new sewage stations.

The governor also announced that a higher administration will be set up to combat pollution in Alexandria. It will include representatives of the ministries of health and industry, the labor force, and Alexandria University, and it will be granted judicial powers to protect the environment from pollution.

This came during the governor's meeting yesterday with members of the special parliamentary committee formed under the chairmanship of Mukhtar 'Abd-al-Hamid to study the effects of pollution in the residential areas surrounding some of Alexandria's factories.

Yesterday the committee visited a number of the chemical, cement, and gypsum companies,, and it was agreed to close the gypsum factory in the east Alexandria region in view of the dangerous pollution coming out of it and its harmful effect on the health of citizens. The 6th of next June has been set as its last day of operation.

Discussions by committee members with officials in Alexandria's factories and with popular leaders stressed the need not to say any new factories within populated areas or on agricultural land, and the possibility of moving some of the factories now in the cities to the desert was discussed.

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EGYPT

PEOPLE'S ASSEMBLY TO REEVALUATE U.S. GRANTS

Cairo AL-AHRAM in Arabic 22 Jan 86 p 9

/Text/ The industry committee in the People's Assembly decided to re-evaluate the economic benefit from the American grants offered to Egypt in the field of technology and worker advancement. The committee's decision, which had been proposed by Dr Faruq Jaranah, the head of the committee, came when the government presented the draft of the ninth amendment to this agreement--which is worth \$31 million--to the committee.

The members agreed to postpone a decision--for the first time--on this amendment until after the government had fully informed the assembly of the parties that had gotten previous amounts, beginning with when the agreement was first signed in 1977, and whether the sums had been spent on the goals they were designated for.

The committee asked representatives of the ministers of planning and international cooperation to define the specialties included under training in the United States, the nature of the programs, the opinion of the parties benefitting from these grants, the conferences that were held within the framework of this agreement, the standard of the experts that have returned from the United States, the extent to which Egypt has benefitted, and the standards and rules imposed in selecting candidates for training in the United States.

Mr Husayn Rif'at, supervisor of the economic cooperation sector with the American agency for cooperation, announced that during the first period of this agreement, that is in 1977, matters were not clear. "Sectors used to demand that whomever they wanted be sent to the United States, and we used not to interfere in anything, neither in the selection of the people nor in the selection of the sectors. However, when the state's general plan was laid down in 1982, standards were imposed on the basis of selecting fields that served the goals of the plan, and the benefits were to be limited to middle level cadres, and higher administrative employees were not to benefit, except on condition they were not more than 55 years old." Also, an English language exam was to be given, and a medical examination. The principle was that the returns from the training should be proportional to the costs. Husayn Rif'at added that this amendment is the last prior to the cancellation of the agreement in May 1987.

The government is tending now towards having the central system be responsible for training within the republic under the supervision of Dr 'Atif 'Ubayd. There is a draft republican bill on establishing an institute especially for training so that there will be no training abroad, and so that all modern capabilities will be available domestically. There are also reports from the cabinet that the agreement on training outside of the republic will be ended, and some cadres in the administration of the control center belonging to the Petroleum Ministry were refused permission to be sent abroad.

Dr Faruq Jaranah said that these grants have been used in an unsound manner, and that the method of approving these grants must be reviewed, since it has usually been said when looking at them that as long as what is offered is a gift, we would not be losing anything. "However, I believe that continuing to pour these grants into obscure fields is a waste of resources of sorts, especially since our economy is suffering a big deficit in the balance of payments, in addition to debts and problems of financing the present and future plan. We are not against training, for it is a vital and important field, but the process must be completely reviewed and re-evaluated to ensure that the grants will be benefitted from in their proper field."

Member Muhammad Sayyid Ahmad expressed his reservations towards these grants which bypass middle management. "And we ask where have the managers returning from abroad been placed?"

Sayf al-Ghazali brought up the fact that there are some big projects that ceased operation 12 years ago, they being projects that were set up with an American grant.

Muhammad Tayi' proposed that the process of implementation be subjected to serious control in order to derive the greatest benefit from it. Finally, Dr Faruq Jaranah affirmed, "We will not now agree to discuss this new grant until after the evaluation process had been examined, and our report to the People's Assembly will include the fact that there is no supervisory body to follow up on the implementation of the grants and the extent to which Egypt benefits economically from them."

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EGYPT

OPPOSITION SEEN FUMBLING OVER TABA POLICY

Cairo AL-AKHBAR in Arabic 22 Jan 86 p 5

[Commentary by Qamarshah Dhu-al-Fiqar in "Every Day" column]

[Text] I was very astonished at the brilliant Israeli maneuver and the stage play put on by the Israeli cabinet singlehandedly for over 3 weeks while cabinet members were yelling and shouting, with some of them threatening to resign.

All this for the sake of arbitration or no arbitration on the Taba problem.

Shamir yells "conciliation" and Peres shouts "arbitration," and the momentous decision accepted by Egypt is finally here! When I say accepted by Egypt, it is because this was the only major demand Egypt has put forth ever since the Israelis began quibbling over Taba during the negotiations, waving false documents suggesting that this part belongs to Israel or that Israel has the right to share in its sovereignty.

It was then that Egypt adhered to the necessity of submitting the problem to international arbitration so that any final judgment would be binding on all parties. As usual, Israel procrastinated in accepting this proposal, saying at times that problems between Egypt and Israel must be submitted in one basket and, at other times, invoking the need for a political summit meeting between Mubarak or Peres or demanding the return of the Egyptian ambassador to Israel, and so on. All this so that Egypt would give up hope of gaining its patent right or that the Egyptian people would forget the whole Taba issue. When the Israeli game dragged on too long, and following the brilliant play which Shamir, and even Peres, who claims to hold the only key for restoring Taba to the Egyptians, have mastered, Israel decided to accept the idea of submitting Taba to international arbitration and Egypt agreed. However, this agreement did not please some other tendencies, which attacked the acceptance as being Egyptian submission to Israeli terms. This is not true because the terms are subject to study and negotiation, as Israel stated in the same arbitration decision, but Egypt's acceptance is for international arbitration. What did they [i.e., the opposition] want? Did they want us to contradict ourselves, demanding arbitration, then rejecting it.

Is it schizophrenia in the Egyptian personality? At any rate, what I wish the opposition press and parties would do is to know the art of the Israeli game and the way it is played.

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EGYPT

VIABLE OPPOSITION IMPORTANT TO DEMOCRACY

Cairo AL-AKHBAR in Arabic 22 Jan 86 p 12

[Commentary by Mustafa Amin: "An Idea"]

[Text] Do not arrest democracy. Although it can commit offenses, infractions, and misdemeanors, it does not commit crimes and felonies, as happens in dictatorships. We agree with you that democracy does not mean revilement and vilification, false accusations and trumped-up charges, or false rumors. Rest assured that facts do not kill and lies do not stand up to facts.

Four years ago opposition leaders were in jail or detention camp or were on their way to jail or detention camp. Opposition newspapers were put under lock and key and journalists were being threatened, chased away, or not allowed to talk. If you put your hand on my mouth for 30 years and then remove it, do not expect me to tell you: "Welcome, your excellency the government." I will have much to say to you before offering you expressions of thanks and reverence! If I can endure the crime of being muzzled for 30 years, can you not endure the infraction of my opposition for 4 years? This people needs more than 30 years to forget the pressure, terror, and tyranny it has had to suffer and endure throughout all these years.

This does not mean that things should get out of hand and that the opposition should violate and trample the law. Respect for the law and the constitution is the weapon that protects democracy, and respect for human rights is what protects the citizens. Just as I demand that the opposition be given every right to express its opinions, I demand the same right for the government to defend itself. There can be no dictatorship for the government and no dictatorship for the opposition. The important thing is for the government party to go to the street and not leave the opposition alone there. Democracy needs strong nerves so that no campaign can shake us and no word can enrage us. Those who blame the opposition in our country for its intensity are not aware of what goes on in the parliaments of other democratic countries. The opposition there does not recite love poetry celebrating the government and the opposition press does not sing the praises of ministers, asking God to give us more like them. Rather it wages devastating campaigns against them not yet experienced in our parliament, thank God!

It is not the opposition parties' mission to incite students to strike nor is it their mission to organize demonstrations at universities. The opposition must be inside parliament and in the press. The day parliament is dissolved or newspapers are shut down, the people have the right to go into the streets to express their opinions. We do not believe that the opposition wants students to destroy their schools at a time when we are borrowing money to build these schools or to try to destroy trains or buses at a time when we are experiencing a stifling transportation crisis.

We want a strong opposition as well as a strong government. We also want a fair opposition and a fair government.

12502/8918

CSO: 4504/189

EGYPT

BROAD CONSTITUTIONAL REFORMS SEEN NECESSARY

Cairo AL-AKHBAR in Arabic 25 Jan 86 p 6

[Commentary by Mustafa Amin in column "An Idea"]

[Text] We endorse the demand to amend the constitution. We want the constitution to be a roomy garment that allows us to dart forward, not a tight one in which to suffocate. We want it to be a constitution for the nation, not a constitution for the government. We want it to be a human rights document in our country.

Our chance is Husni Mubarak's presence in the presidency. He is the one who began his term by releasing the opposition from jail, reinstating the opposition press which had been shut down, and announcing to the people that he would not run for a second term. We felt from the first day that he had decided to return Egypt to the Egyptians.

We want the president and vice president of our country to be elected through free direct elections and not through a referendum for a single candidate. We want more than one candidate and we want the people to have the right to choose.

We want every president to give up his party affiliation upon his election so as to be the president of all Egyptians and not of one party.

We want the election-by-slate law repealed in order to avoid the farce of voting for an opposition party only to add such votes to those of the majority party. The new constitution must provide for guarantees for free elections so that no government can falsify the will of the voters, rig or tamper with the elections, or trifle with the nation's will.

We wish that governors would be elected so as to render local government a democratic rule in the fullest sense of the word. We wish that the ulemas would elect the rector of al-Azhar because we want to surround this high religious position with stability.

The call for amending the constitution is not a call for going backward, but rather one for moving forward. It makes no sense to deprive parliament of the right to withhold a vote of confidence from the cabinet or a minister, although we did have this right 62 years ago! Nor does it make sense to deny

parliament the right to balance the budget. Indeed, the primary task of any parliament is to balance the budget according to the people's wishes.

We can seize the opportunity for amending the constitution to vest the Shura Council with the power to legislate, as was the case with the Egyptian senate, which played a magnificent parliamentary role in Egyptian democratic life and with which governments had to reckon.

The amendment of the constitution will provide the opportunity to repeal the emergency laws and enhance and consolidate the nation's authority so that no one would trifle with it.

We do not ask that this amendment take place tomorrow. Rather, we want to prepare ourselves for this serious democratic task for which we hope popular conferences will be held and constitutional studies will be prepared. We want every party to express itself and we want the people to take part in free discussions held in broad daylight.

And how we wish that a national assembly would be elected to draw up the new constitution.

12502/8918

CSO: 4504/189

IRAQ

MINISTER OF RELIGIOUS AFFAIRS REVIEWS GULF WAR MEDIATION

Cairo AL-SIYASI in Arabic 5 Jan 85 p 8

[Interview with Dr 'Abdallah Fadil, minister of Awqaf and Religious Affairs, by Ibrahim Abu Dah: "Muslims Must Confront Iran's Rulers to Stop the War"; in Cairo, date not specified]

[Text] AL-SIYASI met with Dr 'Abdallah Fadil, Iraq's Minister of Awqaf and Religious Affairs, during his visit to Cairo. The candid interview was about the unjustifiable battles--which have no goal other than a multitude of victims--going on between the two Islamic nations, Iraq and Iran.

About the committees of mediation to end the war, the results they have yielded, and the present committees the Islamic Organization intends to establish, she said:

Iraq does not reject mediation, because mediation is an Islamic practice and a method of remedying enmity between two parties. However, it has come to the point where everyone knows that all of the mediation committees that went before were rejected by Iran, and Iraq is attempting to solve the conflict between it and Iran through negotiation and a board of arbitration selected by both parties. Unfortunately, this invitation met with rejection on Iran's part.

[Question] How is this goal to be achieved, from your viewpoint?

[Answer] Through a practical and bold decision to restrict whoever refuses to settle the conflict. The Islamic world--such as official institutions and governments--must take measures with respect to the party which thwarts Muslim energies and continues the war. We are in most urgent need of peace among Muslims, and even between the Islamic world and other nations, regardless of their beliefs and religions.

[Question] What is Iraq's viewpoint on Iran's persistence in continuing the war in spite of the heavy casualties it suffers?

[Answer] I believe that the people perceive the true nature of Iran's rulers. They consider the continuation of the war to be one means for them

to remain in power and maintain their mastery over the Iranian people. For this reason, during the war the Iranian people remain under the fear of the urgent situation that the war imposes. On the other hand, all of the forces opposing the war will remain far away from any action to resist this regime, which has come to be rejected by groups of the Iranian people. Daily we see more of those who are calling for peace from within Iran, but Iran's rulers refuse to stop the war.

The war, they believe, is what ensures their remaining in power: If the war were to stop, what would Iran's rulers say after the passing of 5 years of war that Iraq has been requesting be stopped? After these years have passed, and after these heavy casualties, what will they say if the war stops?

Iran's rulers are aware of the various ways of continuing the war.

[Question] What assistance can Iraq offer the mediation committees for the sake of ending the war.

[Answer] Iraq is always and at all times ready to provide all assurances for the success of the efforts of the mediation committees and our hope is that Iran will respond and will receive the mediation committees that are striving to end the war. If Iran does not comply with the call for peace, Iraq will continue to strike at all of the materiel depots and military posts in Iran.

The Islamic world must take decisive steps through the Islamic organizations. It must cut off--culturally, economically, and politically--the party that acts to continue the war. Thus, the party that does not accept mediation for peace and acts to thwart Islamic energies and to create a state of tension in the Islamic community will be isolated.

9605/9190

CSO: 4404/196

IRAQ

TOP ECONOMIC OFFICIAL DISCUSSES GOVERNMENT POLICIES

Baghdad AL-THAWRAH in Arabic 2 Feb 86 pp 6, 7

[Interview with Taha Yasin Ramadan, First Deputy Prime Minister: "The Socialist Sector and Private Enterprise in Its Industrial and Commercial Forms"; date and place not specified]

[Text] Proceeding from the importance our special experiment in building socialism ascribes to the private sector:

AL-THAWRAH had an appointment with Mr Taha Yasin Ramadan, member of the Revolutionary Command Council and first deputy prime minister, in order to talk with him about everything related to private commercial activity and its negative and positive aspects, as well as private industrial activity, mixed activity, cooperative activity and other things related to these subjects. The editor in chief began this interview with the following question:

How can we include private enterprise, theoretically, within our socialist experiment?

The first deputy:

It is well known that our socialist course is a special one, linked in general to the philosophy of the revolution as a special experiment connected to the thinking of the Arab Socialist Ba'th Party and arising from the nature of our country, its resources, its history and the state of affairs and resources of our Arab nation, because all economic activity everywhere is firmly connected to the theory on which any regime is founded.

Our socialist experiment therefore is a special one which has not been transmitted from those countries which we call communist or call socialist or capitalist, or any other experiment.

It has the purpose of realizing justice, eliminating exploitation and providing adequate equal opportunities for everyone with the goal of developing and increasing production and a better life for all citizens without exception.

Transcending the Negative Aspects of the Socialist Sector

Proceeding from this premise, we find that the principle from which we set forth is the maximum exploitation of all human powers in basic form. We must seek all means which can bring us to this goal, because we believe that socialism is the attainment of human happiness, the elimination of ignorance and disease and the grant of ability to man to realize his legitimate aspirations, which are education and progress. It is not the way some people understand it, that socialism is poverty, weakness, backwardness and equality in the sense of equality totally remote from the presence of initiative, ability and sincere additional effort with a right to enjoy a better standard.

Here we find that areas for private enterprise must be spelled out in all economic activities in our socialist experiment. This is what all the literature of the party has stressed basically and clearly, if we deal with the two reports, the political report to the eighth regional conference in 1974 and the central report of the ninth regional conference, 1982, each of which complements the other although the contents of the central report of the ninth regional conference have assumed clearer, more accurate and more detailed form, because it came at a time when the experiment had made substantial strides in this regard. We will assuredly find greater maturity in the coming conference, because when theoretical matters are based on the premise of close contact in application in the field they assume clearer, more accurate and scientific form. However, I can say that giving private enterprise a serious role in all economic and service areas and giving this role a definition, including a legal definition, does not mean that we will guarantee that this activity will play its part in full as a supplement to economic activity under the leadership of the socialist sector and as part of the central plans prepared for activity of this sort, and I am not saying, due to the nature of the citizens and individuals engaged in this activity, that activity of this sort is encumbered by conditions. There is need for constant followup and successive pauses for reflection for the sake of evaluation and acquaintance with these phenomena, not just for the sake of individual theorizing, so that the government can play its part in guidance and not in creating the circumstances by which this principle could be betrayed. This aspect did not lead to a betrayal on our part of socialist organizations when negative aspects manifested themselves in the first years of the revolution. Indeed, the effort was made to learn about the causes of these negative aspects and suitable ways of rising above them. I believe, and we are not exaggerating, that we have managed to rise above the major portion of the negative aspects of the socialist sector, thanks to permanent, ongoing guidance and support for this activity from the president and commander, may God preserve him. We say with full assurance and confidence that the scope of loyalty and trust toward this sector's activity is constantly expanding, indeed constitutes the broad base in this stage, after 17 years of the life of the revolution -- a period which is not long as far as activity of this type and roles of this type are concerned when we realize that there are experiments which have gone on for more than 50 years and still are suffering from problems, obstacles and obstructions which the citizens are suffering from as far as the role of socialist activity in their regard are concerned. If we compare our experiment with these, we will find that

our problems and obstacles are much less than those in the latter. I am not saying that we have attained perfection, but what has been realized offers hope and prompts us all at all levels of responsibility to further effort, serious work and frankness in confronting negative aspects, where the citizen will undertake a great role in addition to the democratic formulas of practice and application.

We Must Create New Methods

Our socialist experiment did not reach this level just through the issuance of socialist laws and the formation of special organizations; rather, it was reached through followup, constant pauses for reflection and continuing research to create more successful methods for each period. This course must continue even after 100 years. Here I do not mean that we will reach perfection only after 100 years -- rather, I am saying that in any stage in which we have reached perfection we must seek something new in a year's time so that we can maintain this level, because time is a basic element, and we must think about developing the means that have been approved in every area to create new methods, because life is in constant development and consequently its necessities, instruments and equipment must keep up with this permanent, constant development, especially since we are a country that is open in the nationwide context and in our ties with the international community, we are influenced and exert influence, and we must be concerned over this and adapt the influence we are subjected to and exert to serve and deepen the experiment.

In talking about private activity in the various sectors, as part of the reality of the present, we can say that private industrial enterprise, with all its negative aspects, is better than private commercial enterprise. That is, the ratio of negative aspects is lower, no matter what it might be, even if it is 10 percent. The reason for this is not just that private industrial enterprise and the people who are active in it are better than the people who are active in private commercial enterprise, but the time and effort that have been exerted in the framework of private industrial enterprise is greater than that which has been exerted in private commercial enterprise. As you know, the command issued the first law on industrial investment in private activity in 1970. This activity was codified, planning was made for it, it was modified in 1973 and another law was issued in 1980.

We embarked on private commercial activity seriously for the first time in a programmed context in a commercial plan for 1980 with support and guidance from the president and commander, may God preserve him. Therefore, the time period plays a basic role when we give private industrial enterprise a better evaluation than private commercial activity. This is before I talk about the negative features of each aspect and the positive features I find in each.

As regards the role of citizens working in these activities and also the role of the government in private industrial enterprise, private commercial enterprise, tourist and other services and even contracting, I do not hold only the people working in them responsible for the negative aspects. Rather, I place some of this responsibility with people in the government who

are responsible for administering these activities. I say this so that we will be fair and know where their mistakes lie, with the goal of finding proper solutions and not just making one party or another bear the responsibility for shortcomings, as long as everyone's goal is to arrive at the best formula for serving the citizen.

We Are Pushing Socialist Enterprise To Develop Itself

AL-THAWRAH:

It seems to us that an evaluation of the experience with private enterprise in various contexts is desirable at this stage, indeed that this sort of evaluation is constantly desirable. How do you evaluate it?

The first deputy:

If the discussion is about private commercial enterprise and what it has yielded over the past 5 years in which it has been accepted as a permanent ongoing activity, and if we compare the positive and negative aspects in it, which of them will predominate? Does this activity have a positive role in the economic process in the country, in particular with a direct link with the citizens and their needs? I say there are two positive aspects. This activity has created an important incentive and basic motive on our behalf for socialist enterprise to hasten to develop itself. We will not hide it from you that socialist enterprise considers the grant of legal legitimacy to private commercial enterprise to be a challenge, and this challenge is legitimate, so that it may develop its methods and correct its course in a practical manner. We found in the years before the eighties that the correction of socialist enterprise was not assuming its full dimension, because this enterprise found itself functioning alone, and in more than one area we found it trying to be fanatical, if one may use the expression, regarding certain formulas and this led to an unsatisfactory situation. The process of change met with problems and modifications, and even after the approval of these modifications, through laws and instructions, the level of performance was below the level of the spirit of these instructions and laws.

I consider this the first positive point of private commercial enterprise, in creating this incentive and impulse toward development which we now sense in the area of socialist commercial activity, in the method of transactions, in the type of commodity and material, in their easier, more accurate supply and in prices. A development has occurred in all these aspects in the area of socialist commercial activity. The other positive aspect is the deepening of the spirit of confidence among citizens with respect to socialist enterprise. We as Ba'thists consider this a great gain, because the lesson lies not in our just indoctrinating people about socialist formulas by means of books; rather, when the citizens can touch it with their hands and feel its benefits, we as Ba'thists and people with a special experience consider that a price cannot be put on this achievement. These two positive aspects which private commercial enterprise has realized and has realized not by its own will but because of it I consider something important. In this case, the positive aspects of private commercial enterprise are greater than the negative aspects, which we must rise above with the cooperation of officials in

official organizations and people working in the same activity. On the negative side, I have talked frankly and directly with people engaged in this activity and I now say that so far we consider that in direct terms the role of private commercial enterprise has not contributed to the supply of good commodities at a suitable price in a suitable manner satisfactory to citizens. Its activity in the past 5 years has manifested itself as the conduct of obtaining a quick profit in an easy way. We are not against having this activity and all other activities make a profit. Rather, we consider profit an incentive and something that is desirable. If it is not realized at the desired level, we must seek ways of making this profit reasonable and feasible, so that this activity may be developed. However, the fact which we have seen, and still are seeing, we have not sensed any marginal thinking on the part of people engaged in this activity on behalf of the interests of the citizens, if only to a slight extent. Had it not been for the absolute faith of the party and the president and commander, Saddam Husayn, may God preserve him, that this activity will continue and must continue and develop, we would have said that we did not need this activity, because it has not offered the citizens and development anything useful. Perhaps some people engaged in private enterprise will say "We must make a profit, and these methods realize a profit." The laws and instructions issued with respect to private commercial activity are very clear in that they give this activity a full opportunity to make a profit, and make a better profit than any other activity, but unfortunately the people engaged in private commercial activity have exploited this permission in a fraudulent, unacceptable way. When we do not price the goods private commercial enterprise imports and sells to the citizens, why doesn't it set a suitable profit of 20 or 30 percent, or 50 percent? Why does it set 300 percent? Why? Isn't the person engaged in private enterprise a citizen? Isn't he also a consumer? Haven't the consumers been members of their own country? When we place this trust before them, why don't they treat it properly? If we price these imported products, people engaged in commercial activity say "You put up obstacles to true competition, to our bringing in good commodities. You have put red tape in front of us in the form of continuous review by pricing committees and whenever we bring in good commodities which differ in color, form and type, they must be priced. These are obstacles, and we say so." However, this does not mean that private enterprise should act in this fashion, which is contrary to lawful profits. We have found it, when it finds a chance to distance itself from the reach of obstacles, hoarding a specific commodity and deferring the supply of it for a few days, so that circumstances can be furnished for a profitable increase in an ugly, unacceptable manner at the expense of the citizens. We do not intend to impose fixed pricing on every commodity private enterprise brings in from abroad, but we certainly cannot agree to have this greedy method and this ugly exploitation continue not just in the context of the legislation and laws which have been issued but indeed by all the means which we can find for protecting the consumer and guaranteeing workers in this activity an acceptable profit which will prompt them to develop their means and resources and offer the citizens better service.

Limiting the Negative Phenomena

There are the phenomena of the setting of high prices, there is the phenomenon of hoarding, the phenomenon of the quality of imported goods and the

exploitation of the transfer of trademarks, and so on -- that is, any of the means which justify increasing profitability. Unfortunately, we find these things in this activity, in spite of the short period of time it has existed, which is approximately 5 years.

In the latest evaluation of this activity at the Council of Ministers meeting, these features were discussed in detail and specific instructions were issued to limit these results and have the Council of Ministers continue to present these cases every year or two to find ways to limit the negative phenomena in this activity, not to put an end to its activity. Let me reiterate once more that in our evaluation of the role of private commercial enterprise we will be serious about finding ways by which this activity can transcend its negative aspects, so that it may play its role in supplementing socialist activity, and the government will continue to oversee this activity through legislation which will facilitate its tasks, directives and instructions.

The role of the consumer citizen sometimes is negative. I am not saying all citizens, but some of them contribute by giving some of the people engaged in this activity the opportunity to act exploitatively. The decree on supervision by the people and the citizen's role in this area and others has been issued for this reason. On the other hand, the people engaged in private activity must themselves feel that they belong to this nation; they must play a role in construction and progress in their place and in the role given to them in this area, and they must not rush after devious methods of ugly exploitation and rapid profit at the expense of quality. We assuredly are in favor of the realization of a reasonable profit which will enable them to play their role well. In order that we can be frank with the people working in the private commercial enterprise sector I say that since we have considered that the existence of this activity has helped create an incentive for socialist enterprise to develop its resources, which actually has been achieved to a large degree, we will continue to develop the abilities and resources of commercial enterprise in this regard in a specific manner, not a horizontal one. We will also exert every effort to support cooperative activity in a broad, unlimited manner, so that the role of the consumer in participating will expand, and we will give every group of citizens that wants to serve itself this same opportunity. We hope that this aspect will be an incentive for private enterprise to develop itself in the direction of activities private enterprise performs, so that it will be a true competitor in terms of type, volume and price.

Honorable competition to offer the best services for citizens is a principle we adhere to and when we find that cooperative enterprise offers a service which is better than socialist enterprise in a specific area we support it. When we find private enterprise offering a better service in another area than socialist enterprise, we support it because all these activities lie within the scope of the socialist experiment, the model which our party and our leader, the comrade and fighting man Saddam Husayn, may God preserve him, are leading. Consequently we are not embarrassed to say that a party leader in a given branch is better than a party figure in another branch. This is not so much disparagement of the experiment as a just evaluation and at the same time an opportunity for others to benefit from this experiment.

When we say that cooperative enterprise, in spite of its small size, is better than private enterprise, that is not to disparage private enterprise. Rather, it is an objective evaluation which we must express even when this equation changes and we indicate the changes and negative and positive aspects in a frank manner, because the basic goal is for everyone to work with a better spirit and with more accurate resources in service of the Iraqi citizen, who deserves to have us all offer him the best services.

When I talk about private industrial enterprise, I find myself more optimistic. This does not mean that I am not optimistic about the development of the state of private commercial activity, but I say now although the negative features of this activity are less than those in commercial activity, this activity, following the experience of 15 years since the issuance of the law -- we need to make a serious pause in order to correct the course of this activity so that it will indeed contribute to economic construction in a positive serious manner.

There are many projects lacking in economic feasibility. There are many projects which are of no benefit and play no part in the transfer of technology or the training of personnel. There are many projects whose work or production they engage in we do not find to be of any value, even intrinsic, to the citizens.

However, there certainly are many projects which play their part in providing important requirements for the citizens.

A New Working Paper

Therefore we are now, under directives of the president and commander, intending to prepare a serious working paper which will be founded on the two following focal points in the context of private industrial activity.

1. As of now, we will not allow the establishment of an industrial project, and I say this not against private enterprise, even in socialist activity, in which there is no clear, accurate economic feasibility.
2. In addition to direct economic feasibility there is this industry's role in transferring technology, training personnel and providing necessary materials in more abundant, easier form than if they were imported ready made.

This paper will be finished soon, and an enlarged symposium will be held on it, to be attended by people working in private industrial activity and concerned citizens, not just people from government agencies. It will specify the bases of feasibility on which projects will be studied, which will not be subjected to individual theorizing, along with the nature of the projects and the formulas for issuing decisions. When this paper is approved as legislation and instructions, it will be a basis for new projects and it will also be a basis regarding the study of the status of existing projects and the rectification of any project which does not conform to these bases in accordance with instructions approved at the time. However, as we are talking about private industrial enterprise, I will assign basic importance to the role of mixed industrial activity. When I talk about this, I must point

out that the citizens will have a role in this activity, because they are participants in its management, its capital, its plans and its programs, and therefore the coming years must witness an active role for mixed industrial activity and the production capacity of this activity must at least double in the next 5 years, because this activity is the context which will realize two basic goals, one goal which will keep the socialist sector from rushing impulsively toward activities which divert it from its basic activities and drain its powers and resources, and it will also cause private industrial enterprise to avoid exploitation and monopolization in this context, because mixed activity is distinguished by the flexibility of private enterprise and also the concern of the socialist sector, as this activity cannot be exploitative. It is true that we are drawing up a profit framework for it which is distinct from the socialist sector, but that is not absolute.

Mixed industrial production will be subject to pricing. We will also price socialist sector production. However, we are drawing up a general goal, clarity in profitability which is distinct from socialist activity. This is not important but there are reasonable limits in this context, and I consider, so far, that the best successful activity on the industrial side has been the mixed sector with the type of production, the development that has occurred in it and the nature of the goods it offers citizens, because this activity does not entail assembly or superficial work. We find it now for example specialized in electronic industries, which is specialized activity in industries supplementary to the machinery or electric industries present in the socialist sector.

I believe that we will find other activities for it in the coming stage, in accordance with the plan drawn up for establishing new companies in this context.

Therefore, while we bear the responsibility for setting out sound bases whereby private industrial enterprise will transcend its negative features and for finding a rapid solution to existing projects which have no economic feasibility or value in what they produce and have been established for the sake of loathesome exploitation and misconduct on the part of the people engaged in them, we must give directives for the establishment of good projects which have feasibility and not forget the development and expansion of the scope of the mixed industrial sector.

Is a Negative Model Working Its Way in?

AL-THAWRAH: In the course of this conversation, we have accumulated four small observations. The first is that we are afraid that a negative (human) model will work its way into the cooperative sector. Do you expect that such an infiltration will take place?

The first deputy said:

"Not at all. Rather, although this is a weak expectation, I expect that this will happen in the socialist sector, and do not expect it in the cooperative one, except in one respect, which is the level of the people working in this sector. You can find that in private enterprise or the socialist sector.

"On many occasions, we find that two socialist enterprise companies are producing a single product whose specifications are the same, but we see that one of them is better than the other. The main reason is that the people working in the one company differ from those working in the other. While they receive similar salaries, their system is the same, and they are working under the roof of a single government, we nonetheless find in the course of competition that one company is better and that one given output is better. When you investigate the cause, you find that the management is better there. You can find a cooperative society here which is better than the society situated in location X. The quality of the goods supplied, the system of supply, the way of dealing with others, these are connected to the type of citizen who works in them. However, even in this case, the style of the people engaged in this activity is easier and better than that of people engaged in other areas, because the people who work in cooperative activity have been chosen by the beneficiaries themselves. Consequently, the beneficiaries are not content with a given society or department if it performs in negative ways, and they can choose other people besides themselves to offer better service. In any event, we must implant the method of democratic management more deeply in this area. That is, how can we enable the citizen to play his true part in this area? It would not be bad if we endured some of the negative features so that the citizen could engage in the democratic formula of economic activity. I am talking about this only with respect not only to the subject of consumer cooperatives but also service and production ones, because we aspire to the establishment of cooperative joint transportation companies and some special repair shops, and other areas of service for the citizens. However, we might have been giving a little support to consumer activity now or have been concentrating on this angle more than others. The reason for this is that we do not want the socialist sector to become expanded in a monopoly market and we also want to inhibit the further exploitation of private commercial enterprise.

"Some negative aspects might appear, but they will disappear, and disappear by the will of the beneficiaries and the will of the workers. We do not intervene in the affairs of a cooperative enterprise; that is, if it wants 100 citizens to open a society or cooperative shop, we will not say no, and will not reject their applications. They must choose the people they want without our intervening in that.

"Our task here is concentrated on supervision and the provision of the required accessories. That is what has caused us to sever these agencies' connection with the ministries. There is a general board of directors for all cooperative, productive, consumer, service and housing enterprises.

"We do not interfere even in the appointment of permanent employees. Rather, we provide guidance and sometimes indoctrination in this area, and do not intervene even with respect to hours of work or the appointment of retired persons."

Mixed Activity

Regarding the success of mixed activity, in light of the comrade editor in chief's comment:

The first deputy said:

"I cannot impute absolute success to the mixed sector, except in regard to industrial activity.

"We have now made a beginning with the mixed sector in agricultural marketing, and we now have the first company and are still in the stage of evaluating it. I cannot pass judgment on the degree of success."

AL-THAWRAH: We have two final observations.

There is no doubt that internal imbalance in the private commercial sector, and any other sector we want to protect, is acceptable, except when it reaches the point of going beyond the permitted limits, such as its search for a greater percentage of profits, or search to expand its activities in order to increase profits. Its evils have started to go beyond the limits of its private activity and into the socialist sector, and it has started to move into other areas with its negative features and disruptions, corrupt the integrity of some workers in the socialist sector and purchase quantities of private production in the socialist sector, offering it as coming from private enterprise, in addition to the other negative cases which private enterprise is trying to inject into the body of the socialist sector.

40 Million As Compared to 3 Billion!

The first deputy said:

"This unfortunately is true, but what is the magnitude of this private activity relative to socialist commercial activity? The figure which has been propounded is no more than 40 million dinars, as compared to 3 billion for the socialist sector. Therefore whatever its violations might be, and whatever the fire of its flame might be, it is possible to control it and extinguish it easily."

The editor in chief commented:

"The problem is that these 40 have begun to be stolen from the effort of society, I mean the socialist sector. The cases that have been brought before the courts or on which there are rumors are well known; they slip goods presented in the socialist sector to private enterprise outlets on the argument that they were imported by the latter."

The first deputy said:

"That is true, it is a problem of similar quality. This situation has been studied and the competent bodies will set out the appropriate solution to it. How can this sort of case be prevented? That is, the types private enterprise imports must be different in form and origin from the types the socialist sector offers and imports. We are discussing this seriously now. It must be prevented, and it is a phenomenon that actually exists. However, it will not remain neglected. A balance is necessary between making allocations to private enterprise and keeping these allocations from leading to

monopolization and the creation of crises. You remember when this subject was discussed in the Council of Ministers, we said, when we want to provide automobile spare parts, for example, of a specific type whose price is 10 million dinars, we distribute that as permits to private enterprise, and it is considered that this 10 million for this kind of goods will meet the needs for this kind of goods. However, in order to avoid bad intentions in hoarding goods and exploiting prices, since the prices for goods imported for private enterprise are not set, we bring in 25 to 30 percent more than is required, the socialist sector brings this in, so that there will be a supply on the socialist sector and private enterprise markets. The total is greater; as a consequence, what can be hoarded? However, this phenomenon has faced us and what I pointed out is that when the socialist sector supplies the same material, private enterprise goes down and buys it. We are getting a good sense of that now. Now we have gone back to sole dealings, but with rules, and for what kind of goods? Not sole dealings in goods which are considered necessary and require numerous stages of work. A pause for reflection is intended for this, as well as for the goods in which we will not retain sole dealings. How, though, can we set out rules for them, or how can we work to prevent their being easily transferred to private enterprise outlets?

"Private enterprise is supposed to take the initiative of improving its image so that it can establish its existence in serving society. I find this present stage a good stage for testing this activity; it is now subject to testing. How sincere will it be in facing this sort of period?"

Final Observations

AL-THAWRAH: We have final observations on peripheral private enterprise activities. There is a need for us to tell society about them, for instance the purchase of permits and their use for purposes other than those for which they were decreed and issued.

The first deputy said:

"This situation must be prohibited. It is worth referring to this observation so that we can set out rapid solutions for it, and it must end, because these are parasitical activities, not marginal ones, and private enterprise has no connection with them. They must be prohibited because the person who carries them out is characterized by adventurousness, has capital and is not embarrassed by penalties."

AL-THAWRAH: There is an observation which supplements the previous one:

There are numerous goods which have more than one purpose. That is, the government supplies them for a specific purpose, but these goods can be used for another purpose and in another area, and some people working in private enterprise try to take them over to supply them at a higher price, on the basis of the other use, or on grounds that they can be used as a raw material in another area.

The first deputy said:

"We have discovered most of these phenomena in private enterprise, and we will discuss them in the course of the paper. We will certainly set out the appropriate solution to them.

"For example, there are some people who have a project to manufacture cloth. At the beginning of the year, or when the factory is first erected, the Industrial Development [Department] estimates the factory's need for primary materials (spools). For example, it estimates its need at 20 tons of spools, and the employer basically obtains a permit to import this quantity of spools, but he runs the factory at half capacity, for example, and sells the remaining spools to others as 'primary materials,' unprocessed, because sometimes he can make a profit from this operation which is double the rate of profit in the case the spools are processed. By this operation, he has brought harm to society by letting the spools leak out into other areas which were not in the industrial development planning. Second, that actually does affect the volume of cloth which is supposed to be available on the market. The reduction of the rate of production will lead to a scarcity of this type in the local market, in spite of the citizen's need for it.

"There are a number of reasons for this phenomenon, one of them being that the estimate of need is not accurate, and another also being that oversight was not thorough. Had there actually been oversight, official or internal, it would not have been possible to operate the factory at 50 percent. Here is where the role of the party organization, the role of the labor union and so forth comes in. Consequently, this phenomenon will be dealt with, rapidly and with deterrent measures. This is just an example. There are other examples. Some private industrial enterprise plants have started to focus on just assembling goods, such as furniture, for example, and parts have started to come in readymade; the factory or the factory owner just assembles them. We will put a permanent end to anything in the way of assembly and we will set out new bases for the establishment of projects. This does not mean that assembly is totally to be ruled out, no, because there are some industries which we can start in only at the assembly stage, albeit within a period for a transition to manufacturing. This has no connection with private activity. This is the activity of the government sector. For example, if you want to build a factory for machines, the shortest period in which the project must remain in the assembly stage is 5 years, for example, and a percentage of it more than 5 years, after which it shifts over to manufacturing at a certain percentage, and after perhaps 15 years we find that it has become able to manufacture at a rate of 50 percent, while it imports 50 percent.

"Therefore, the issue of the leakage of goods for which there is more than one purpose is present in private industrial enterprise in the first place, that is, it tries to leak out some of the primary materials without processing them because they give it a greater and quicker profit. This is connected to the nature of the projects, to the proper evaluation of need, to control of operations, including outfitting contracts.

"When we give it 20 tons of spools and we know that this quantity will produce half a million meters of (bazah), for example, we must inspect the records -- has it actually processed and produced this quantity? Has it been marketed as was estimated?

"This is not a difficult process. It is possible to learn about manipulation easily, if actual followup and constant oversight exist.

"In some factories, we have discovered that all the primary materials were sold without being processed or produced. They would deploy a number of temporary workers in a pro forma manner to provide the illusion that the factory was operating, and when the committee estimated its share of primary materials, these workers would be expelled, the factory would be shut down and it would sell the materials it had imported for its factory at high profits."

In conclusion, this is the truth about private enterprise as Mr Taha Yasin Ramadan has stated it in detail, its position in our particular state of socialism, its role in the construction of the domestic economy, its successes and its negative features, the reasons for this, and the government's evaluation of its course, the future of the course and the measures to be taken.

This activity, which the government is interested in from an objective, significant standpoint, in order to serve the citizens and support our domestic economy, and some of whose employees view it as an opportunity for blatant profit by devious means which are to be rejected socially and are alien to the genuine nature of the noble Iraqis, is undergoing a great test. Will this activity pass the test, especially since we are at a time in which genuine Iraqis consider their own blood to be of little value, for the sake of gains of glory and dignity and gains of triumph and the future under the leadership of the president and commander Saddam Husayn, may God preserve him, who is overseeing and supporting this activity?

Mr Taha Yasin Ramadan has revealed cases which are not compatible with the government's stewardship and attention and the provision of requirements for the development of this activity, and he stressed the officials' awareness and knowledge of all the easy cheap ways which some exploitative and greedy people engaged in this sector are pursuing at the expense of the lofty goals, in the forefront of which is the provision of services to the citizens at good quality, at a reasonable price and in a sound manner.

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JORDAN

OFFICIAL ON PLO TALKS, IMMINENT AL-ASAD VISIT

PM050923 London AL-SHARQ AL-AWSAT In Arabic 4 Feb 86 pp 1, 2

/AL-SHARQ AL-AWSAT Amman Bureau report: "Al-Asad in Amman in a Few Days; Senior Jordanian Official Tells AL-SHARQ AL-AWSAT: Jordanian-Palestinian Talks Suspended; Resumption Depends on Change in Washington's and PLO's Attitudes"/

/Text/ A senior Jordanian official has said that Jordanian-Palestinian talks have been suspended following the failure to reach an agreement on Security Council Resolution 242. They will be resumed only if the United States and the PLO change their attitudes toward that resolution.

In an exclusive statement to AL-SHARQ AL-AWSAT, the official said that no one interfered in the Jordanian-Palestinian talks with the objective of suspending them. He also denied that Jordan was under U.S. pressure to speed up the peace process.

The Jordanian official described Jordanian-Palestinian relations as good, pointing out that the Jordanian-Palestinian agreement will remain valid although it will be "less dynamic" than before.

Asked about the PLO's recognition of Resolution 242, he said: "Jordan is not pressuring the PLO to recognize the resolution in question. However, should it recognize it, it will be able to take part in an international peace conference within a joint Jordanian-Palestinian delegation as nobody in this case will object to its participation. /no end quotation mark as published/

The Jordanian official once again stressed that there is no substitute for the PLO as the sole legitimate representative of the Palestinian people at an international peace conference. He said that both Jordan and the PLO did not obtain international guarantees in return for recognizing Resolution 242 and participating in the international conference on its basis.

The Jordanian official announced that a Jordanian-Syrian summit will be held in Amman within the next few days when President Hafiz al-Asad will visit Jordan to reciprocate the Jordanian monarch's visit to Syria last December. He denied that preparations are under way for an Egyptian-Jordanian-Palestinian summit in the next few days in order to find ways to resume the Jordanian-Palestinian talks, but said that a Jordanian-Egyptian summit will be held shortly.

On the other hand, Fatah Central Committee member Salah Khalaf (Abu Iyad) confirmed what the Jordanian official said--that no arrangements are being made to hold a tripartite summit. He said that the PLO insists on the need to recognize the Palestinian people's national rights, including the right to self-determination as a condition for recognizing Security Council Resolutions 242 and 338, because recognizing them unconditionally means entering the international conference unarmed.

Khalaf told AL-SHARQ AL-AWSAT that his meeting with King Husayn 2 days ago was positive and characterized by frankness and clarity. "We agreed at the meeting on the need to depart from certain Arab traditions in our relations," he said.

Khalaf added that the subjects discussed during the Amman talks not only concern the Jordanian and Palestinian sides but also the U.S. side. When the PLO asked that talk about Resolutions 243 and 338 should be coupled with talks about Palestinian national rights, including the right to self-determination, the U.S. side rejected any discussion of the right to self-determination and demanded the PLO's recognition of Resolution 242 in order to enter the international conference. Jordan despaired of any U.S. response to the PLO demands and so the talks came to a halt.

He said: Our firm attitude toward Resolution 242 does not mean that we hate the resolution's figures but it is because its contents deal with the effects of the 1967 war and not the crux of the Middle East crisis and the Palestinian problem. We hope that the U.S. attitude will evolve toward recognizing the Palestinian people's rights. Agreeing to recognize Resolution 242 in the absence of a firm and declared U.S. stand recognizing the Palestinian people's national rights and right to self-determination means entering the international conference, if it is held, without any weapons that we can put on the negotiating table. There is no doubt that through long and difficult negotiations with U.S. representatives Jordan has been able to make the United States make a positive move toward accepting an international conference and inviting the PLO to it, but it has been unable to obtain from it its agreement to link 242 to the right to self-determination. Therefore, the disagreement on this point is not between the Jordanian and Palestinian sides but between them and the United States.

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JORDAN

AL-DUSTUR ON PERES' 'FALSE' CLAIMS FOR PEACE

JN040958 Amman AL-DUSTUR in Arabic 4 Feb 86 pp 1, 19

/Editorial: "The Poisonous Israeli Bait"

/Text/ Israeli Prime Minister Shim'on Peres' statement in the Knesset yesterday and his statement to the Israeli cabinet the day before prove that the Shamir-Peres government is still attempting to impose its own concept of the peace process--a concept which is based on dictating and imposing a fait accompli on the Arabs who are required, according to this rejected concept, to relinquish their land and sovereignty.

Immediately following his return from his European tour, Peres resorted to his old language and his government's miserable concept of peace. In doing so, Peres cancelled the exposed claims for peace which he attempted to entrench in the minds of the Europeans and erased the obscure picture of Israel searching for peace in Europe. In fact, Israel is devoted to the most hideous forms of occupation and aggression in the Middle East.

We, through long experience, have realized Israel's strong adherence to the logic of military supremacy which has always led Israel to ignore entrenched facts, and we were the first to realize Peres' false claims for peace during his European tour and about progress in the Israeli stand toward the formula of the proposed international conference to settle the region's crisis. We were also the first to warn the Europeans against this poisonous Israeli bait.

When Peres returned to face his partners in the ruling coalition in Israel and confront the Zionist extremists he cast aside his peaceful image and appeared in the true Israeli garb of arrogance, hostility, and rejection of any peace initiative based on the principles of justice and right, and which is in harmony with the international legitimacy.

When the proposed international conference is turned into an empty forum where the conferees have no authority and are unable to make decisions, and when the legitimate representatives of the Palestinian people who are recognized on a large international scale are excluded, then all this indicates an attempt to evade a just peace which Peres knows is a responsible to UN resolutions and to the international community's will.

We realize that Peres is unable to achieve any essential progress in the aspired peace process and that he is a captive to his own Zionist extremism and to the trends of the expansionist Israeli institution. We also realize that force might succeed in imposing some facts, but it will never be able to force the Arabs to accept these facts as long as this nation is capable of saying no even when it is very weak and under the most painful circumstances.

/12228

CSO: 4400/90

JORDAN

AL-DUSTUR REACTS TO PERES' AUTONOMY CALL

JN100944 Amman AL-DUSTUR in Arabic 10 Feb 86 pp 1, 17

/Editorial: "The Exposed Israeli Blackmail"

/Text/ The many statements made by the leaders of the Israeli enemy government and the Zionist parties are enough to reveal the propagandistic stand adopted by the Peres-Shamir government toward achieving peace in the Middle East.

Shim'on Peres' call for implementing unilateral autonomy together with Ge'ula Kohen's call for applying Israeli law in the West Bank and Gaza embody the continued Israeli retrar from facing the peace issue. These calls represent the two directions of Israel's true policy which is being implemented in the occupied Arab territory as well as Israel's inclination toward annexation, expansion, and Judaization.

Nobody can interpret such open and extremist Israeli calls as reaction to the so-called failure to peace efforts in the Middle East and the return of the situation to square one, as Peres claimed yesterday. These exposed attempts at blackmail are an accurate interpretation of Israel's peace plan in which Israel calls on the Arabs to give up their land and concede their legitimate rights.

It is not a secret to say that the efforts to achieve progress toward a just and permanent peaceful settlement have been obstructed because of the U.S.-supported Israeli intransigence and the arrogant Israeli policy demonstrated in the al-Aqsa mosque incidents and the hijacking of the civilian Libyan airliner.

We believe that the Peres-Shamir government has no desire at all for a fair and permanent peace in the region to solve all aspects of the Palestine cause, and we also believe that this government has no intention of joining the peace process because of the increasing U.S. support for its aggressive and expansionist course on the one hand and the weak Arab stand on the other. These two things have created in the enemy leaders this tendency for arrogance and ignoring the international will.

While realizing the political blackmail entailed in such Israeli statements made day and night, we call on the Arabs to reassess their tragic situation and to stop the serious deterioration on all levels by ending this gloomy chapter in their modern history and then by adhering to the option of Arab solidarity which will lead to rectifying the balance of power which tips in favor of a broad front of enemies.

JORDAN

PAPER VIEWS ISRAELI ACTION, U.S. POLICY

JN070953 Amman AL-DUSTUR in Arabic 7 Feb 86 pp 1, 16

/Editorial: "The Solution Is in Our Hands and Not in the UN Security Council"

/Text/ It is expected that the UN Security Council will, at any moment, vote on the draft resolution submitted by Syria and Libya condemning the air piracy crime that Israel committed last Tuesday by forcing a civilian Libyan passenger plane to land in an Israeli military airport.

However, this draft resolution will probably meet the same fate as several draft resolutions that were submitted to the Security Council and that condemned Israel, the last of which were the two resolutions on Israeli practices in southern Lebanon and the Israeli attacks on the sanctity of the Islamic holy places in Jerusalem, which the United States torpedoed by using the veto. Therefore, the U.S. veto is lying in wait for the Syrian-Libyan draft resolution unless an essential amendment is made in this draft resolution emptying it of its content.

The lesson learned from what has taken place and what is taking place in the Middle East since President Reagan's assumption of power is that the entire Arab region has become an area where Israel can freely commit aggression that is supported by the United States and by a U.S. political coverup. For this reason, Israel behaves in the region as Rome behaved at the apex of its glory and does not fear punishment from anyone. Hence, Israeli planes bombed Arab capitals like Beirut, Tunis, and Baghdad, and raided the refugee camps in Tripoli, Sidon, and al-Biqa', and intercepted oceangoing ships, attacking them and killing their passengers.

Israel has changed the course of a civilian Arab plane to occupied Palestine, thereby challenging all international laws and norms. Meanwhile, Israel continues its occupation of the Arab territories in the West Bank, Gaza, the Golan, and southern Lebanon and continues to torture the Arab citizens in these territories and to confiscate their lands and deport them from their homeland in plain view of the world without taking into consideration any reaction from any party whatsoever.

We are not saying something new when we say that Israel would not have dared go far in these criminal practices had it not received complete backing and

absolute support from the United States. Perhaps this small civilian plane's course would not have been changed without the accurate information extended to Israel by the U.S. fleet ships in the Mediterranean in accordance with the strategic cooperation between the two countries and their coordination in the so-called fighting of terrorism.

This Israeli belligerence which is supported by the United States places the entire Arab region under the umbrella of the joint military blackmail by Washington and Tel Aviv. This is a serious development which the Arab countries should take into consideration.

In our opinion, this situation will continue as it is as long as President Reagan's Administration sees only Israel's interests in the Middle East and as long as it does not show regard for any Arab party in drawing up its policies in the region. This situation will also continue as long as the Arabs are recklessly entrenching their division and differences and as long as they consider the best form of holy war to be issuing statements of condemnation and denunciation.

In the face of this situation, we advise the Arab countries to stop submitting complaints to the United Nations, at least to save face, because the results are known in advance and because President Reagan's Administration will not allow any resolution to be issued condemning Israel or punishing it for its aggressive policies.

Perhaps the Arab leaders should be asked to make a new assessment of U.S. policy in the region stemming from a rational realization of the truth of this policy and its current trends--an assessment that deals with U.S. policy with self-reliance and provides Arabs with the ability to protect the rights, preserve the dignity, and deal with the United States and other countries the same way they deal with the Arab countries.

/12228

CSO: 4400/90

JORDAN

U.S. VETO GIVES 'FREE HAND TO ISRAELI TERRORISM'

JN080951 Amman AL-RA'Y in Arabic 8 Feb 86 pp 1, 24

/Editorial: "The Terroristic Veto"/

/Text/ By its veto, which defended Israeli air terrorism against the Libyan airliner and saved Israel from condemnation in the UN Security Council, the United States has committed an act that is no less serious than that committed by its warplanes against the Egyptian airliner last December. The United States has thus appointed itself the defender of organized Israeli terrorism before the whole world.

No doubt, the motives and results of this veto have aroused many fears concerning the future of civil aviation in the Middle East and perhaps in other parts of the world. This veto has exposed the safety of thousands of air passengers to serious dangers, because giving a free hand to Israeli air terrorism is the gravest danger to the freedom and safety of civil aviation.

It must be emphasized that the United States has assumed a great and odious responsibility before the international community. It has proven anew that its actions and policies in the region threaten stability and frustrate peace hopes.

Meanwhile, it must be said that ensuring the safety of civil aviation against Israeli terrorism remains a duty which the international community must assume despite the U.S. veto. The question is too serious to end with the abortion of the Syrian draft resolutions in the UN Security Council.

The United States has gone too far in its defiance of international laws and norms and also in its blatant hostility to Arabs. Nobody knows how long this defiance and hostility will continue. However, what is definite is that Arabs alone can make U.S. policy abandon this arrogance in its dealings with the Arab world. Complaints are of no use.

What Arabs should do is close their ranks, create events in the region, and play their true role if they are to regain their rights. Only intrinsic Arab power will stop U.S. arrogance. Arab readiness to wage a long, organized struggle will change many situations in the region and force the Israeli aggressors and their U.S. allies to accept just, comprehensive peace in the region.

JORDAN

ARABS MUST CONFRONT 'NEGATIVE' U.S. STAND

JN090914 Amman AL-RA'Y in Arabic 9 Feb 86 pp 1, 16

/Editorial: "How Similar Today Is to Yesterday!"

/Text/ Now that the negative U.S. intentions toward the peace process in the region have become exposed--intentions that are based on the joint U.S.-Israeli strategy of either liquidating the Palestine question or maintaining the state of no war no peace, whichever is easier to achieve--it has become necessary to frankly say that the Palestinian formulas, no matter how numerous they are and as long as they continue to adhere to the Palestinian people's right to self-determination, will certainly not receive a fruitful U.S. response. Moreover, the U.S. proposition will continue to seek a price for allowing Palestinian participation in the negotiations without any commitment to make the right to self-determination the basis or the target of such negotiations.

Thus, the U.S. proposal is merely a promise of negotiating for negotiations in return for Palestinian recognition of Resolutions 242 and 338. There is clear blackmail in this and a reminder of the methods the United States had adopted some years ago during the Camp David negotiations and the negotiations that preceded them when the United States refused to adhere to a principled declaration based on the withdrawal from the occupied territories and recognition of the right to self-determination which would form the basis for negotiations pertaining to the Palestine question.

Undoubtedly, the stalemate which the U.S. policy has imposed on the Palestine question is intentional and is in harmony with the joint U.S.-Israeli strategy. Needless to say, it has become necessary for all the Arabs to confront this strategy now that its objectives are revealed. This cannot be achieved without a unified Arab action which has to be approved by an Arab summit which would adhere to such action and specify the responsibilities in it. Otherwise, the U.S.-Israeli obstinacy and the Israeli practices aimed at swallowing up and judaizing the Palestinian territories will continue.

The current dilemma is not related to any specific Palestinian formula but to an established aggressive strategy which the United States and Israel refuse to abandon and with which they seek to either gain both land and peace or freeze the issue and maintain the state of no war no peace in the region. In light of this clear conclusion, it has necessary for the Arab leaderships to meet their responsibilities, abandon their differences, and unify their ranks to confront the challenge.

JORDAN

U.S. URGED TO FOLLOW UP STATEMENT OF RIGHTS

JN131154 Amman THE JERUSALEM STAR in English 13-20 Feb 86 p 9

/Editorial: "Significant Changes"/

/Text/ The statements of the State Department's Spokesman Mr Charles Redman on Monday regarding the Palestinians' legitimate rights and the UN resolutions related to the Arab-Israeli conflict reflect a possible change in attitudes in Washington especially where the issue of Palestine refugees is concerned.

One of the main reasons for which the Palestine Liberation Organization (PLO) has hesitated in recognizing UN Resolution 242 is that it regards the Palestinian people as refugees and says nothing on their legitimate right for self-determination. Obviously, if negotiations are to be based solely on this, the American position has always been vague in regard to this major issue.

The recent setbacks the peace process had suffered could be attributed to the lack of progress vis-a-vis the question of Palestinian national rights. We see in Mr Redman's statements a definite attempt to clarify the issues and probably present fresh options for negotiations. The statements have already been welcomed by PLO Executive Committee member Mr Muhammad Milhim.

What is needed is for the United States to make these statements more official. Maybe a visit by Mr Murphy to the region could help assure the PLO of America's sincere commitment to the issue of solving the Palestinian peoples quest for national liberation as they have legitimate rights that cannot be disregarded.

Before any peace negotiations could begin all parties must agree on solid principles. Among these are the principles of territory-for-peace which calls for Israel's withdrawal from Arab lands occupied in previous wars and for the recognition of Palestinians' right of self-determination.

Mr Redman also clarified the U.S. position concerning what the Israeli Government calls unilateral self-rule in the West Bank. The U.S. Government seems to agree with the Arabs that Palestinian participation in every stage of the negotiation is a must and that the future of the occupied territories must be decided through negotiation in which all the parties concerned must participate.

/12228

CSO: 4400/90

JORDAN

BRIEFS

JORDANIAN-INDIAN TRADE--Amman, 13 Feb (PETRA)--Minutes of the 4-day Jordanian-Indian trade and economic talks were signed at the Ministry of Industry and Trade yesterday evening. The minutes say that the Indian Government will purchase 1.2 million tons of phosphates, 360,000 tons of potash, and 385,000 tons of fertilizer in 1986. The minutes also note that the Jordanian side will import Indian products worth \$30 million in 1986. The Indian side expressed the desire to implement projects in Jordan if their costs are covered from the products of phosphates, fertilizer, and potash which are in excess of the quantities the Indian side pledged to import. It was decided to form a joint committee to follow up what was agreed. /Text/ /Amman PETRA-JNA in Arabic 0915 GMT 13 Feb 86 JN/ 12228

REPRESENTATIVES SEEK ALCOHOL BAN--Amman--SAWT AL-SHA'B--Thirty-three representatives have asked the government to pass an alms tax law. Accordingly, this tax would be obtained from those who are capable of paying it and would be spent on housing and education projects, the provision of medicines and clothing, and on the mujahidin /strugglers/. This would make the payment of alms a basic source of development. In a proposal presented to the speaker of the House, the representatives asserted that the payment of alms is obligatory and not merely a donation by rich people. In another proposal, 22 representatives requested the government to pass a law prohibiting the manufacture and sale of alcohol as well as the serving of alcohol at private and public gatherings. /Text/ /Amman SAWT AL-SHA'B in Arabic 10 Feb 86 JN/ 12228

CSO: 4400/90

KUWAIT

SOVIET DEPUTY DEFENSE MINISTER INTERVIEWED

Kuwait AL-WATAN in Arabic 18 Jan 86 p 5

[Interview with General Vladimir Govorov, Soviet deputy defense minister, during his visit to Kuwait, by Sulayman Falihan: "We Hold a High Estimation of the Kuwaiti Army's Capacity for Modern Weapons; Kuwait Presented Some Requests for Armament, We Expressed Readiness To Respond to These Requests"; date not given]

[Text] General Vladimir Govorov, Soviet deputy defense minister, is considered the second man in the Soviet military establishment, which includes the largest army in the world. For many reasons, the men of this establishment rarely talk to the press, the least of these reasons being the fact that soldiers know how to issue or carry out orders, but leave the limelight to the politicians. However, when AL-WATAN asked for an exclusive interview with him, General Govorov departed from this rule and welcomed the idea of the interview. This was perhaps because he, still in his fifties, represents a generation of youth in the Soviet leadership. Perhaps, too, the generation that is shouldering supreme responsibility under Gorbachev's leadership, having surprised the West with its political and military performance, no longer worries about or fears the limelight! When I met him at the headquarters of his stay during his recent visit to Kuwait, he calmly and resolutely allowed himself to deal with questions though with brevity and terseness.

During this exceptional interview with a military man, General Govorov spontaneously and openly showed that he was impressed by Kuwait's achievements in various areas. Having just returned from the military maneuvers that the Soviet delegation had witnessed, he said, "What we saw at the maneuvers makes us hold the highest estimation of the capacity of Kuwaiti army personnel for modern weapons. I mean that the army personnel are well acquainted with complicated equipment and its use, as we saw with our own eyes."

He added, "We were impressed by Kuwait's achievements, especially in the economic area, where these achievements have reached the world level, and in solving the problems of housing, home building, water and electricity supply. All of this helps to solve the important social problems. When I visited some public utilities, I became aware of the tremendous development

during the last 10 years. We therefore wish the leaders and people of Kuwait stability, peace, and calm, so that they can solve all problems in accordance with their wishes and desires."

Relationship Between the Two Armies

[Question] During your visit, you held discussions with Kuwaiti officials. What is your evaluation of those discussions and of their results?

[Answer] To begin, I would like to say that we are happy and pleased with our visit to Kuwait. This visit is the first by a [Soviet] military delegation after the visit that Shaykh Salim al-Sabah, the [Kuwaiti] defense minister, paid to Moscow. We have held a series of useful meetings and interviews with officials, at which time some political issues were discussed. We concur with the Kuwaiti side on the need for a climate of peace to prevail in the region, and particularly on the need to halt the war between Iraq and Iran as quickly as possible, because this war does not help in bringing about peace in the region. I cannot do otherwise than express my happiness at the fact that the opinion of the Soviet leadership coincides with that of the Kuwaiti leadership.

We therefore hope that the first visit of the Soviet military delegation will help strengthen the relationship between the Soviet and Kuwaiti armies. We value the discussions and results of this visit highly. We presented a number of suggestions to strengthen the relationship between the armed forces in the two countries, and these suggestions were received with full mutual understanding on the part of the Kuwaiti leadership.

His excellency the [Kuwaiti] minister of defense presented some requests related to armaments, and the Soviet side expressed its readiness to respond to those requests.

Implementation of Previous Agreements

[Question] Diplomatic circles have spoken about a new arms deal concluded between the two countries, one that includes an air defense network to cover the skies of Kuwait. General, would you care to clarify these reports?

[Answer] The discussion of subjects of concern to the two sides concentrated on the agreements already signed between us and on their implementation, not on new agreements.

Star Wars

[Question] In spite of the holding of the Geneva summit, developments indicate that the United States is still continuing its campaign to implement the so-called Star Wars program and is calling on other countries allied to it to join the program. Is the Soviet Union adopting a similar program?

[Answer] I do not think I shall add anything new on the subject.

I say that it is easy to answer this question. I would cite Comrade Gorbachev's speech in which he said that at the Geneva Conference the United States had avoided dealing with the Star Wars issue. It appears that this program on the part of the United States has developed to a great extent. Comrade Gorbachev stated that continuing with this program would bring a new threat to the world.

Our country will find countermeasures. However, in our view the issue is critical because it inaugurates an arms race on a higher level, thus pushing to the rear the problems related to the reduction of strategic weapons. But we will not allow an increase in strength to take place only on the side of the United States. We cannot allow it.

American Measures in Hormuz

[Question] After the Iranian navy's search of an American ship, the United States decided that its Indian Ocean fleet would escort American ships passing through the Strait of Hormuz. What are the dimensions of this step from your point of view? Will the Soviet Union have recourse to the same measure in the Strait of Hormuz?

[Answer] We do not approve of the step taken by the United States in directing its forces into the Gulf region, because this is not its right. The United States must recognize the balance of power that exists in the region. We do not attempt to confront new developments by means of force. Since the holding of the Geneva Conference, we have been striving to solve problems by means of dialogue in order to ease tension in various regions.

Stability of the Iraq-Iran Front

[Question] At the beginning of the interview, you spoke about the Iraq-Iran war and the need to end it. My question, however, may be more general. In your capacity as a senior military official, how do you evaluate the military situation on the war front between Iraq and Iran? This is the first part of the question. The second part concerns the crisis that has broken out in the wake of American threats to direct a military strike against Libya. How do you evaluate developments in that region?

[Answer] As for the military situation on the Iraq-Iran front, from the military point of view we think there is stability of the military situation between the two sides and a state of military equilibrium. Based on recent incidents, one can describe the war as a war of attrition.

It is difficult for us to expect fundamental changes on this front. But it would be dangerous for us not to treat this war as a powder keg. I think that interference in the crisis by other nations could lead to an increase in tension.

As for the situation on the Libyan coast, what the United States is carrying out is a display of military force. For many reasons, it is difficult

for the United States to solve this problem by military means. However, it is impossible to predict the actions of other countries.

Missiles on the Syrian Front

[Question] There is continual talk about what is called the missile crisis between Syria and Israel. What are the real dangers on the Syrian front? To what extent are the Israeli threats serious, and how do you evaluate the military situation on this front?

[Answer] At present, we think the military situation there is stable. We do not think that the missiles set up on Syrian soil are a threat to Israel.

Syria has the right to choose the kinds of weapons that will guarantee its independence. Syria has not shown hostile intentions against Israel. In the light of this, we think the presence of various weapons on Syrian soil is an internal affair of that country.

12937/9190

CSO: 4404/211

KUWAIT

NEW DIPLOMATS' SALARIES, ALLOWANCES LISTED

Kuwait AL-TALI'AH in Arabic 20 Nov 85 pp 10, 11

[Article: "AL-TALI'AH Is Publishing the Tables on Diplomatic Corps Employee Salaries and Expense Allowances As an Exclusive"]

[Text] A week ago, a daily newspaper, in a style that bespoke a sort of "innuendo," wrote that Dr Ahmad al-Khatib had sent a letter to Mr Rashid al-Rashid, the minister of state, and that the minister had written something on the letter and sent it back to him. AL-TALI'AH asked the doctor about that paper. He said that some young people working in the diplomatic corps had come complaining to him about the government's procrastination in issuing the new schedule on salaries of diplomats working abroad and that he, that is, the doctor, had replied to their demand to follow up on the subject in order to put an end to it. He had stated that the letter was on that subject and that the minister of state's reply was that the issue had been resolved by the Civil Service Council, that the problems had been fully settled and that it was ready to be issued very soon.

AL-TALI'AH gleaned this item of information so that through its sources it could investigate the "satisfying" news which was of importance to a large number of our brothers working in the Kuwaiti Foreign Ministry, especially those working abroad, and the results yielded by the collection of this information on this subject, which is another journalistic scoop for AL-TALI'AH.

It has come to AL-TALI'AH's knowledge that a new schedule for diplomatic corps employees, with expense allowances, would have been issued this week had the minister of state, Rashid al-Rashid, not taken a trip to Amman in the company of the crown prince.

The decree to be issued also includes cash benefits for diplomats whose tour of duty abroad has ended. This takes the form of monthly allowances granted to them in addition to their salaries, and is to continue for a period equivalent to their tour of duty abroad, to a maximum of 10 years, after which it is to stop. Payment of the allowance also is to stop if the diplomat concerned refuses the ministry's request that he resume working abroad.

These allowances constitute an incentive for our people working abroad.

The new schedule introduces another new increase into the base salaries of all diplomats and a large increase into the expense allowances of diplomats working in our embassies abroad, especially in hardship areas, then areas which are less difficult, then ones less difficult than those and the least difficult. It should be pointed out that the Ministry of Foreign Affairs has classified living conditions with respect to the countries in which we have embassies and representation into four graduated categories in terms of hardship.

A schedule on expatriate living allowances will be issued in the case of civil employees working in embassies along with the issuance of the new schedule.

The schedules on base salaries will be amended to be as follows (the figures have been rounded out).

New cash allowances for diplomats returning from abroad and increases in base and living expenses:

Ambassador	800 dinars
Minister plenipotentiary	700 dinars
Counsellor	550 dinars
First secretary	480 dinars
Second secretary	400 dinars
Third secretary	350 dinars
Attache	300 dinars

The expense allowances will be as follows. They differ from one region to another in accordance with the classification by four regions we mentioned.

Position	Classification of Region	Salary (Kuwaiti Dinars)
Ambassador	Group One	1,980
	Group Two	1,800
	Group Three	1,600
	Group Four	1,400

Consul General	Group One	1,900
	Group Two	1,700
	Group Three	1,540
	Group Four	1,350
Charge d'Affaires (Heads of Missions)	Group One	1,500
	Group Two	1,400
	Group Three	1,250
	Group Four	1,160
Minister Plenipotentiary (Employees of Missions)	Group One	1,350
	Group Two	1,200
	Group Three	1,060
	Group Four	930
Counsellor (Employees of missions)	Group One	1,300
	Group Two	1,150
	Group Three	1,014
	Group Four	888
First Secretary	Group One	1,100
	Group Two	990
	Group Three	870
	Group Four	850
Second Secretary	Group One	890
	Group Two	790
	Group Three	690
	Group Four	580
Third Secretary	Group One	790
	Group Two	680
	Group Three	580
	Group Four	500

Attache	Group One	780
	Group Two	660
	Group Three	550
	Group Four	460

The cash allowances to be paid out to diplomats whose tour of duty abroad has ended and who have returned to the Ministry of Foreign Affairs offices are as follows:

Ambassador and minister plenipotentiary	300 Kuwaiti dinars
Counsellor and first secretary	200 Kuwaiti dinars
Second and third secretary and attache	100 Kuwaiti dinars

11887
CSO: 4404/212

KUWAIT

LEFTIST MAGAZINE CHARGES GOVERNMENT SALARY ABUSES

Kuwait AL-'ALI'AH in Arabic 20 Nov 85 pp 14-17

[Article by 'Abdallah al-Naybari: "The Salaries and Bonuses of Leading Figures: A Flagrant Discrepancy, from 13,000 to 80,000 Dinars!"]

[Text] One noteworthy phenomenon related to government administration and public sector positions is the frightful discrepancy among the salaries and bonuses which leading employees, that is deputies, assistant deputies, managers, their assistants, heads, board members and nominated members, receive. This discrepancy applies to other positions but stands out as blatant contradictions in the higher positions.

If this discrepancy indicates anything, it is the extent of the chaos endemic in government administration and public sector institutions.

What attempt is being made to understand the logic and philosophy behind the status of salary schedules?

This is not being said as an accusation or slander against the government administration; rather, it is a conclusion based on figures listed in the accompanying tables, which are tables drawn from government documents themselves, in the handwriting of its officials.

It was possible to obtain these figures thanks to a question from the member Mushari al-'Anjari which was directed to the minister of state, asking for information about the comprehensive monthly salary of the highest two leadership centers (positions) in the ministries, authorities and general organizations (apart from ministers) and other financial benefits and benefits in kind resulting from membership in boards, committees and so forth.

The minister of state answered the member's question with a list tabulating 41 persons who were deputies and directors, showing the salaries, financial benefits and benefits in kind they receive in addition to bonuses derived from their membership on boards or committees.

This total, that is, 41 persons, does not include all the leadership positions in the form of deputies, directors and members of boards in the

government, but it certainly represents a substantial sample which gives a clear idea of the state of the discrepancies and contradictions in salaries and bonuses in government agencies.

We have tried to transfer the numerical and statistical information in the minister of state's answer to the accompanying tables and reclassify these figures in order to provide a comparison. The first column in the table represents the annual salary, the second column represents the group of bonuses the person receives because of membership in boards or committees, and the third column represents total salary plus total bonuses. There are some people who receive bonuses in kind such as a car, a driver and travel tickets for themselves and their families. These benefits are not included in the tables because of the difficulty of evaluating them. We have excluded the names of the persons listed in the minister's answer and have contented ourselves with mentioning the positions and work entities, although that is not in keeping with the requirements of the condition of accuracy in treatment, because although most memberships in boards and committees are due to position and status, there are cases in which such membership is chosen on personal grounds and not the basis of employment position.

Table of Salaries and Bonuses

Position	Body	Annual Salary	Total Annual Benefits	Ratio of Benefits to Salary	Total Per Year	Ratio of Total to Salary [Percent]
1. Assistant Deputy	Ministry of Education	12,648	--	--	12,648	100
2. Assistant Deputy	Ministry of Communications	12,648	--	--	12,648	100
3. Assistant Deputy	Ministry of Works	12,888	--	--	12,888	100
4. Deputy Director General	Shu'aybah Industrial Authority	13,248	750	5	13,998	105
5. Director General	Municipality of Kuwait	14,208	--	--	14,208	100
6. Director General	Applied Education	13,632	1,000	7	14,632	107
7. Assistant Secretary General	University of Kuwait	13,680	1,000	7	14,680	107
8. Chief of Engineers	Municipality of Kuwait	15,000	--	--	15,000	100

9.	Deputy Minister	Communications	15,000	--	--	15,000	100
10.	Deputy Director General	Applied Education	15,360	--	--	15,360	100
11.	Deputy Director	Lending and Savings Bank	16,560	360	2	16,920	102
12.	Assistant Director	Ports Organization	16,740	2,000	11	18,740	111
13.	Deputy Minister	Education	14,016	4,800	34	18,816	134
14.	Deputy Minister	Works	16,986	3,000	17	19,968	117
15.	Assistant Deputy Minister	Finance	12,648	7,000	55	19,648	155
16.	Secretary General	Kuwait University	17,028	2,800	16	19,828	116
17.	Board Chairman	Kuwait Air Lines	18,360	2,000	10	20,360	110
18.	Director General	Lending and Savings Bank	18,360	2,860	15	21,220	115
19.	Deputy Director General	Research Institute	21,192	--	--	21,192	100
20.	Assistant Director General	Housing Authority	15,884	6,000	37	21,884	137
21.	Deputy Director General	Social Insurance Organization	24,000	--	--	24,000	100
22.	Director General	Kuwait Air Lines	18,360	6,000	32.6	24,360	132
23.	Deputy Minister	Finance	13,824	10,500	75.9	24,324	175
24.	Director General	Scientific Research Institute	14,808	10,000	71.5	24,980	168

25. Director General	Al-Shu'aybah Industrial Authority	14,808	9,050	61.1	24,858	167
26. Governor	Central Bank	20,880	4,000	19.1	24,880	119
27. Deputy Director	Development Fund	16,560	9,000	54.3	25,560	154
28. Appointed Member or Director General	Investment Authority	27,000	2,000	7.4	29,000	107
29. Deputy Appointed Member	Investment Authority	25,800	6,000	23.2	31,800	123
30. Director General	Housing Authority	30,000	3,000	10	33,000	110
31. Deputy Board Chairman	National Oil Company	27,600	6,500	23.5	33,100	119
32. Deputy Board Chairman	Petroleum Exploration	27,600	7,000	25.3	34,600	125
33. Board Chairman	National Oil Company	32,820	8,500	25.9	41,320	125
34. Assistant Deputy	Ministry of Oil	13,464	30,000	222.8	43,464	322
35. Appointed Member	Petroleum Organization	31,860	14,500	45.5	46,360	145
36. Board Chairman	Kuwait Oil Company	31,860	15,980	50.1	47,840	150
37. Assistant Deputy	Ministry of Oil	15,168	37,500	247.2	52,668	347
38. Deputy Board Chairman and Appointed Member	Petroleum Organization	35,400	43,800	123.7	79,200	223

A Sixfold Difference

What can we observe and infer from these figures now?

First, there is a great discrepancy, and sometimes a blatant one, between the totals some administrative leaders get and those others get. We find that the difference between the minimum and the maximum is sixfold, that is, that the biggest earnings (salary plus total bonuses) are six times the lowest ones, that is, 600 percent of them.

The lowest earnings among leaders, for the assistant administrative deputy in some ministry, equalled 12,700 (twelve thousand seven hundred) dinars, while the highest earnings (salary plus total bonuses) came to 79,200 (seventy nine thousand two hundred) dinars.

If we want to break the leaders listed in the minister's reply down by groups according to the total salaries they receive plus bonuses, we will find that out of a total of 41 persons there are:

Seven persons whose total earnings range from 10,000 to 15,000 a year.

Eight people whose total earnings range from 15,000 to 20,000 a year.

Ten people whose total earnings range from 20,000 to 25,000 a year.

Three people whose total earnings range from 25,000 to 35,000 dinars a year.

Six people whose total earnings range from 30,000 to 35,000 dinars a year.

Seven people whose earnings are in excess of 35,000 dinars a year, including four who receive from 40,000 to 50,000 dinars, one who receives about 53,000 dinars and one who receives 80,000 dinars, which is the most any official in the government gets.

Second, the total the person receives, as mentioned above, consists of salary plus the total bonuses for his membership in boards or committees.

The salaries range from a minimum of 12,684 (twelve thousand, six hundred eighty four) dinars a year to a maximum of 35,400 (thirty-five thousand four hundred) dinars a year.

The bonuses vary greatly from one employee to another, to an extent which greatly exceeds the discrepancy among salaries.

The lowest bonus comes to 360 dinars. This is for the deputy director of the Lending and Savings Bank. The highest group of bonuses comes to 44,000 dinars, for the deputy board chairman and appointed member of the Petroleum Organization. Breaking down employees by the bonuses they receive, we find the following:

Nineteen persons receiving bonuses coming to a total of no more than 5,000.

Seven persons receiving bonuses ranging from 5,000 to 10,000 dinars.

Two persons receiving bonuses ranging from 10,000 to 15,000.

Five persons receiving bonuses exceeding 15,000.

Three people from the last group receive bonuses of more than 30,000, including one who receives 30,000, one approximately 38,000 and one approximately 44,000.

An Unreasonable Discrepancy

Third, the ratios of bonuses to salaries differed in a very large way. There are eight people who do not get bonuses.

Seven persons receive bonuses of less than 10 percent of total salary.

Seven persons receive bonuses of 10 to 20 percent of total salary.

Seven receive bonuses of 20 to 30 percent of total salary.

Seven persons receive bonuses of 50 to 60 percent of total salary.

Four persons receive bonuses whose ratio to total salary exceeds 100 percent, including two people who get approximately 40 percent of total salary.

Fourth, it should be noted that the salaries in organizations and authorities exceed those of corresponding leadership positions in government management by large percentages. The deputy secretary of finance's salary is less than that of such corresponding positions as the governor of the Central Bank, director of the Development Fund, director of the Investment Authority or director of the Lending and Savings Bank and less than 50 percent of the salary of the director of the Insurance Organization.

The deputy minister of communications' salary is less than that of roughly corresponding positions such as the manager of the Ports Organization or the Kuwait Air Lines Organization.

The salary of the deputy minister of works or the chief of engineers of the municipality is less than that of the director and deputy director of the Housing Authority.

The salary of the deputy minister of education is less than that of the secretary general of the university.

In addition to the unreasonable discrepancy among salaries of leadership positions in the authorities and organizations as compared with government management, there also is a discrepancy within the salaries of these organizations and authorities themselves. While the salary of the governor of the Central Bank comes to 20,880 dinars a year and that of the director of the Development Fund to 18,360 dinars a year, we find that the salary of the director of the Insurance Organization, a similar position, totals 30,000 dinars a year.

Fifth, the discrepancy within these salary tables does not reflect the differentials in burdens and responsibilities of positions, the nature of work, qualifications, conditions required for holding the position or the scarcity and importance of the area of specialization, and it should be noted that each organization sets out its salary schedule without taking the conditions of other organizations and government departments into consideration.

The minister of state, in his response, acknowledged this imbalance, stating, and I quote verbatim, "It is clear from these tables that there is a discrepancy in salaries and that this discrepancy is not confined to the higher positions but includes the middle ones."

Each Ministry Has Its Own Salaries

Sixth, it should be noted that the salary level is based on the stand of the minister when the salary schedules are set out. The minister of oil was so generous with Petroleum Organization salaries that the salaries of the leadership positions in the organization, apart from bonuses, exceeded those of the ministers by at least 50 percent. A minister's salary, overall, with allowances, does not exceed 24,000 dinars a year, while the salaries of higher positions in the Petroleum Organization are no less than 30,000 dinars a year aside from bonuses. If we add the bonuses, what these people receive is then double a minister's salary and in some cases more than three times a minister's salary, that is, 333 percent of it.

Distribution of Salaries by Groups in Thousands of of Dinars		Distribution of Bonuses by Groups in Thousands of Dinars		Total Salaries Plus Bonuses in Thousands of Dinars	
Thousand Dinars	Number	Thousand Dinars	Number	Thousand Dinars	Number
10-15	12	None	8	10-15	7
15-20	15	Less than 5	19	15-20	8
20-25	4	5-10	7	20-25	10
25-30	4	10-15	2	25-30	3
30-35	5	15-20	1	30-35	5
Above 35	1	20-25	1	35-40	1
		25-30	--	40-50	4
		30-35	1	50-60	1
		35-40	1	60-70	--
		40-50	1	70-80	1
Total			41		41

To confirm the minister's influence we have inferred in setting out the salary schedule, the present minister of oil increased the salaries of higher positions in the Social Insurance Organization by 40 percent before leaving the Ministry of Finance, indeed without the agreement of the Civil Service Council.

Seventh, in comparison with the ministers' salaries, we find that the total that about 50 percent of the sample, that is, about 20 persons, receive is greater than what a minister receives, since the minister's salary, including allowances and raises, comes to 1,950 dinars a month, that is, no more than 24,000 dinars a year.

Illicit Gain

Eighth, many leading employees are appointed members of boards or committees on the basis of their positions; nonetheless, we find them combining a high salary and a bonus or bonuses that are generous to the point of extravagance. On some occasions, these employees, by virtue of their leadership positions, appoint themselves to companies or committees and, in their capacity as members of these boards or committees, set their own compensation. On many occasions, they establish branch companies to which they again appoint themselves, then set the bonuses of the members of the branch boards, and so on!

There are international companies or organizations in which the government participates as a party where the bonuses are very high because of the circumstances and nature of these companies and organizations. The Arabian Oil Company gives its board members 30,000 dinars a year.

This bonus does not reflect the effort the government members appointed to this company's board exert. For the most part their annual meetings number no more than four and meetings do not last more than a few days. Logic holds that this money must revert to the public treasury; otherwise, it should be considered illicit gain, that is, gain which is matched not by effort but by position.

Examples of this are numerous. An example is the board of the Santa Fe Company, a company the government owns and to which some organization employees are appointed by virtue of their positions, among the duties of their position; how can they assign themselves a bonus equal to 75 percent of the total a deputy minister receives in salary?

Of course, one cannot direct blame at these employees for accepting such bonuses, because it is not reasonable that we should expect them to volunteer or donate them to the public treasury unless that is asked of them in accordance with well known legal measures. That is contrary to human nature; there are supposed to be statutes, laws and bills stipulating such things and eliminating the embarrassment to which these officials might be subject through the discussion of these matters.

Ninth, these great discrepancies and flagrant contradictions are taking place at a time when the cries for administrative reform, guidance of spending and belt-tightening are being raised.

The observer and analyst must stand in amazement before this flagrant contradiction between word and application, between slogan and action and practice.

The strangest aspect of the situation is that the minister of state, in his answer to the member Mushari al-'Anjari's question, should say that the government has been studying this matter since 1979 and that recommendations were produced by the Council of Ministers on 31 March 1979, that is, about 6 years ago. These recommendations referred to the need to reform this imbalance. Nonetheless, the phenomenon of the discrepancy has become aggravated, as the minister said, has not diminished and has not been put to an end. Indeed, many of these violations occurred after the issuance of the Council of Minister's recommendations. Is there a greater discrepancy than this? Haven't the ministers, the Council of Ministers and the Petroleum Council noticed that some bonuses for membership in boards have reached a point beyond what is reasonable or acceptable, indeed that they entail a violation of public taste and moral values, since they portray a situation where the grant of free access to public money is encouraged, without the fluttering of an eyelid or the trembling of a hair on an official's body?

Haven't any of the officials heard about the saying which holds "Money that is abandoned learns theft?" Hasn't it become an object of anxiety among officials that leaving things this way encourages corruption and the spreading of corruption, exposes people's consciences to dishonor and corrosion and broadly paves the way toward a feverish rush toward and a struggle over positions, posts and memberships in boards and committees, since they constitute bridges to rapid enrichment? Don't the officials fear that this will have the effect of repeating the emergence of the phenomenon of the atmosphere within the framework of the government and public sector administration, a phenomenon which has grown, flourished, swelled and exploded only as a result of laxity, disregard and neglect, sometimes deliberate?

Moreover, in the face of the wholesale spread of this sort of phenomenon, does the government expect the people to believe that it is serious about guiding spending and that they should be satisfied when it asks for the acceptance of a doubling of levies and fees for services and reduction of subsidies, increasing the burdens on people with limited incomes whose incomes do not exceed a small fraction of the massive salary and bonus figures?

Finally, we can only remind the government that it should reform itself first of all before it makes requests of the people. Serious reform must start from above.

11887
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LEBANON

BRIEFS

WILLINGNESS TO VISIT IRAN REPORTED--Beirut, 13 Feb IRNA--Lebanon's President Amin al-Jumayyil has expressed his willingness to visit the Islamic Republic of Iran. He intimated his desire to do so in a meeting with that country's ambassador to Tehran Ja'far Muwaybi said the Lebanese periodical 'AL-KIFAH AL-ARABI' in its recent issue. The magazine quoted Muwaybi as stating in talks with Lebanese religious leaders that Amin al-Jumayyil's willingness to visit Iran be conveyed to the officials of Iran's Foreign Ministry. /sentence as received/ /Text/ /Tehran IRNA in English 1755 GMT 13 Feb 86 LD/ 12228

CSO: 4400/90

OMAN

FOREIGN FUNDING AIDS MASSIVE HOTEL DEVELOPMENT

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
21 Jan 86 p 2

[Article by "W. An.": "New Hotels in Oman"]

[Text] Frankfurt--In November 1985, the Sultanate of Oman staged a 10-day celebration on the 15th anniversary of the assumption of power of the present ruler, Sultan Qaboos. Primarily to accomodate the numerous official visitors, Oman built three new large luxury hotels in the Muscat capital area and enlarged a number of existing ones in addition.

The most important project was the construction of the new Bustan Palace Hotel hotel and conference center built by Cyprus-based Joannou & Paraskevaides (Overseas) Ltd., which is represented in Oman by J & P (Oman) L.L.C. in Muscat. Total cost was estimated at some \$ 230 million. The nine-story hotel, surmounted by a golden cupola, has 310 rooms, a restaurant, a ballroom, two conference rooms, a swimming pool and tennis courts. The conference center next door was equipped with a simultaneous translation system. The Bustan Palace is under the management of the Intercontinental Hotels Corporation (IHC) of New York which was sold by Panamerican Airways to the London-based British firm Grand Metropolitan Hotels in 1981 which already operates a 308-room hotel on Qurum Beach in Muscat.

The new 18-story Sheraton is located in the center of the Ruwi business district near the chamber of industry and commerce. It was built at a cost of \$45 million by the French firm Filled Constructions Metalliques in conjunction with EPTA International, a Paris-based architectural firm. The Sheraton has 250 rooms, four restaurants, a ballroom, three conference rooms, a swimming pool and two tennis courts. It is being managed by Sheraton Hotels and Inns, an American firm which is part of International Telephone and Telegraph Corporation (ITT).

The third new hotel, the 171-room, 6-suite Seeb Novotel, is close to Seeb International Airport near Muscat. The hotel has two restaurants, a bar, a discotheque, three conference rooms for 30 to 500 persons, two swimming pools, two tennis courts, a bowling alley and other sports facilities and an indoor shopping mall. The contract for the construction of this hotel was awarded to Mothercat, a Lebanese firm. The plans were drawn up by Consult, a Canadian firm. Management is by the French Accor group which operates the Novotel chain.

Holiday Inns Inc. of Memphis, TN operates the Holiday Inn Salalah Hotel in Salalah, the capital of the southern province of Dhofar. The hotel complex, which has its own beach, consists of 100 rooms and suites in addition to 20 vacation cottages. It has one restaurant, a swimming pool, tennis courts and a conference room which will hold 100 persons. It was recently announced that another Holiday Inn Hotel will be opened in Muscat soon.

In the fall of 1985 the expansion of the Ruwi Hotel was completed. 78 rooms were added to the hotel operated by the Oman Tourist Corporation. It now has 178 rooms, one restaurant, a bar, a coffee shop, special facilities for business travelers, a billiard room and a swimming pool. The \$4.9 million contract for the expansion of the hotel had been awarded to Douglas OHI, an Omani firm.

Another hotel in the Ruwi district, the Al Falaj was completely modernized recently. The hotel now has 150 rooms and suites in addition to restaurants, a bar, public rooms and a gymnasium, a swimming pool and a sauna and tennis and squash courts.

The third 5-year plan (1986-1990) will be marked by a substantial increase in the tourism development budget which stood at \$43.4 million during the second 5-year plan which ran from 1981 to 1985. Over the past 5 years, the government has built four motels at Ghaba, Al Ghaftia, Wadi Quitbit and Qabil. There is a privately-owned 20-room motel at Nizwa, the old capital and still another motel is to be opened soon at Shar.

The Sultanate of Oman continues to be closed to international mass tourism. Only a few privileged, selected groups of visitors have been allowed to enter the country. The hotels are used primarily to accommodate visiting businessmen and delegations as well as visitors from the Gulf Council member states which include Saudi Arabia, Kuwait, Qatar, Bahrain and the United Arab Emirates in addition to Oman.

9478

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PALESTINIAN AFFAIRS

ARAB UNITY URGED TO FACE AMERICAN 'THREATS'

Summit in Tripoli Demanded

Jerusalem AL-BAYADIR AL-SIYASI in Arabic 11 Jan 86 pp 2, 3

[Editorial: "The Arabs Are Called Upon to Hold a Summit in Tripoli"]

[Text] The United States has declared war on the Arab nation. Fleets and aircraft carriers are imposing a fierce blockade on the Arab homeland. Washington has chosen Libya as a gateway for American aggression against this nation in order to bring it back to the old colonial era. Officials in Washington continue their provocative and hostile statements. There is a concerted effort to make the people of this nation kneel down and become servants to the White House masters, and to praise these masters morning and evening.

The Arabs put the keys to the solution in the hands of America's leaders and wrongly believed that America wants peace and has worked earnestly to achieve it. Now America declares war and places its colossal power and the war machine that it possesses on alert in order to strike Libya and then the entire Arab nation. American's threats and actions are a clear repudiation of the peace efforts and they are pushing the region to the brink of war. The tension dominates the region, and the peace dove, long awaited by the people of this region, has completely disappeared.

The Arab region is now at a crossroads. The struggle that we wished to see end is increasing and may take more tragic forms that were unseen before. The American administration is using the attacks on the Rome and Vienna airports to begin carrying out immediately what has been on its leaders' minds: aggression, invasion, and anticipated military operations. Washington has started with a fierce blockade of the Arab homeland with a concentration on choking Libya. The United States argues that it intends to eradicate terrorism and protect world stability and security, while it is the American administration who stands behind the turmoil prevailing in the international community and pushes the renewal of the conflict in this region. This is after feeling numerous quarters into believing that it is eager for peace and striving to find it.

The Arab capitals and the PLO condemned terrorism and the attacks on the airports in Rome and Vienna. All peace-loving entities, Arab or international, have agreed that the only remedy for terrorism and the ideal way to eradicate it is by speeding up the peace efforts and solving world problems, starting with the Palestinian problem.

Achieving peace is the only way to put an end to terrorism, which grows and thrives while fighting continues and problems and crises go unresolved. For approximately 3 years now, sincere world efforts have been made in search of a just solution to the Middle East crisis. The United States appointed herself a guardian for these efforts. Many believed that the United States is serious in its claims. International persistence to achieve real peace placed Washington in a difficult situation in which it looked for any excuse in order to strike at the peace efforts. The attacks on the airports of Rome and Vienna provided that excuse and through its threats and contentiousness, the United States brought the region back into an atmosphere of war.

Now the equation is clear and the picture is complete. America does not want peace. After these military moves, those who still believe in its good intentions will not be able to justify their hesitation and silence. America declares war and attempts to dominate the Arab nation by force. Arabs! What are you doing?

The United States would not have engaged in these practices had she known that the Arab countries are one, United in one position. The United States would not have besieged Arab land had it known that the rules of this nation would set out to face it armed with all they possess.

The Arab regimes have given so much to the United States. Some of them have even participated in carrying out American plans to besiege the PLO. Other regimes, such as Libya's, took a negative position toward the PLO, a fact that encourages the United States to continue its pretensions and falsehood. Perhaps the PLO's determination to stand in the face of the negative attitudes of Arab countries and the failure of all attempts to make the PLO surrender compelled Washington to set its fleet in motion, exploiting the incidents in Rome and Vienna to free itself from international political pressure.

It is obvious that the Arab disagreements, and the disunity in which the Arab nation finds itself, are a primary factor in the American excess and the American siege of a part of the Arab world. The PLO invited the Arab states to meet at a summit conference aimed at resolving brotherly disagreements, ending infighting, and forming a unified position to face the threats which, as the PLO has constantly stated, are targeted against all Arab states. Several of these states not only refused the sincere Palestinian invitation, but fought it, including Libya.

We do not want to dig up the past or open old wounds. The Arab nation is subjected to a fierce imperialist invasion aimed at its heritage, lands, wealth, and rights. The American fleet and forces are positioned off the Libyan coast waiting for orders to invade and inflict "discipline" and "fear," as American leaders are saying openly and clearly. The issue does not need "censure" or "blame" but what is the purpose of the silence and waiting while the Americans are invading our heartland. This is pure humiliation. It is imperative to rise, upset the balance, and return to this nation its honor. This phase is dangerous and does not permit each state to cling to its disagreements with another sister state. The danger touches all the states. If Arab countries do not unite, solve their problems, and assume their responsibilities, a long era of darkness and decline will befall this nation.

We do not believe that any Arab world leader does not find in these grave developments a need for an Arab summit. Could there be any greater cause for a summit meeting than the threat to the people and lands of an Arab country by a hostile power? What could be greater than that? Is there any reason for delay, trickery, escape, or evasion? These are serious moments in history.

During these momentous hours, why don't the Arab leaders hold a summit meeting in Tripoli, the capital of Libya, in reply to the American challenge. Why don't they go to besieged Libya and there begin to settle their differences, solve their problems, say to Colonel al-Qadhafi, "Start a new page with your brothers," and reach a unified and binding agreement that would serve the nation's objectives.

Yes, why don't they hold an Arab summit in Tripoli, the threatened capital? That would be a historic summit during a time of destiny which would put an end to divisions and prove to the United States that the Arab countries are united in confronting the enemy, and they will not permit the invaders to single out any Arab country. If this step were to be taken by the Arabs, it would, by itself, constitute an answer to American arrogance. It would be the road to a just and permanent peace. If this step were taken, the United States would think twice before taking any action against any Arab country, and it would seriously look for a real peace. A unified Arab position would protect the honor and lands of this nation, and would stop the world from ridiculing the conditions to which the Arab world has arrived.

It is not sufficient for the Arab capitals to issue statements of criticism and condemnation and calls for self-restraint. It is not sufficient for expressions and positions of vocal support to be expressed through the news media at a time when Arab differences continue and the sharpness of American threats escalate!

Are the Arabs waiting until the United States carries out its threats and strikes its blow? In a situation where an Arab country is subjected

to American hostilities, the Arab reaction, we are sure, would not go beyond sending elegant telegrams or a delegation to the stricken country. We do not know, perhaps there are those who wish to see the United States consolidate its position and domination, and succeed in carrying out its threats with a minimum loss.

The reason for the American excess is the Arab failure. Let the Arabs look at the miserable and sad situation they are in. The American fleet is on the move, threatening and menacing, while no unified and practical actions have been taken by the Arabs. The leaders of the best nation that has ever been created lack the self-respect to face a hostile power openly attempting to dominate this nation and end its history.

This is a good opportunity for the Arab leaders to realize the gravity of the danger which threatens them because of the absence of their meeting and the lack of a minimum degree of solidarity and joint action. This is a good opportunity for Arab regimes to cease their destructive policies which afflicted the nation and its peoples. How can the Arab leaders face American aggression when they harbor hatred toward each other? Their hatred is so strong that it permitted the Arab lands and Arab nation to become a testing field for all types of weapons. This is what contributed to the prolongation of fighting in the area and gave other countries, especially the United States, a favorable climate and territory to intensify its hostility and threaten Arab existence altogether.

May this dangerous development, which is represented by the American declaration of war, be an incentive for Arab leaders to have a high level meeting whose agenda should include two essential points: the ending of Arab differences and the adoption of a unified position and practical strategy to face American hostility and all challenges.

What is needed right away is the holding of an Arab summit conference in Tripoli itself, the capital that expects fierce American hostility. This is a sincere invitation we send to all Arab leaders, appealing to them to turn the pages of the past and rise to the level of responsibility. Governing is a historical trust and responsibility and the defense of the people's rights and honor.

The Arab nation and Arab land are in danger. American hostility has gone too far. Will Arab leaders wake up and start a new phase of sincere and fruitful work? Will they meet in the Libyan capital? In that there is important symbolism and meaning. May God be with you, we are waiting! Let's upset American plans! History will not have mercy!

Palestinian-Libyan Rapprochement

Jerusalem AL-BAYADIR AL-SIYASI in Arabic 11 Jan 86 p 19

[Excerpt] Now that Libya is subjected to American military threats as a part of a framework that aims at increasing tension in the region, striking at political movements, and attempting openly to liquidate the Palestinian cause, the Palestinian Liberation Organization has declared that it stands beside Libya in facing any expected American aggression despite the adverse Libyan position in regard to the Palestinian cause and people. In the statements made by Salah Khalaf, "Abu Iyad," member of the Fatah Central Committee, there is an indication of a pan-Arab and unifying role played by the Palestinian Liberation Organization confirming that the Palestinian heart does not hold any hatred towards any Arab or non-Arab. Arab political circles indicated that secret contacts took place between Tripoli and the PLO last week, and that a high level Palestinian delegation will visit Tripoli. This visit will follow a secret visit undertaken by a Palestinian emissary who met with Colonel al-Qadhdhafi and discussed with him the necessity of opening a new page in relations between the two sides and how the American threats could be met.

Palestinian sources indicated that the director of the PLO bureau will soon return to Tripoli in light of al-Qadhdhafi's promise not to injure the legitimate leadership and its people. The change in the Libyan position, if the Colonel's "mood" does not reverse it, will contribute to the reunification of the Palestinian arena. The same sources added that the PLO has undertaken a quick move to reconcile the differences between Cairo and Tripoli so that Egyptian-Libyan disagreements are not exploited by other forces in order to carry out hostile objectives against any Arab country or against all the Arab world. The Palestinians believe that the American threats are a sign which should convince the Arab states that the dangers and challenges are aimed at all the Arabs and not only at the Palestinian people. This reality requires a unified position to ward off these challenges. Such a position will only materialize by solving all Arab differences and by supporting the Palestinian people.

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CSO: 4404/198

UNITED ARAB EMIRATES

AL-SHARIQAH ECONOMIC PERFORMANCE REVIEWED

Dubayy AL-BAYAN in Arabic 24 Dec 85 p 17

[Article by Dr Ibrahim 'Umar al-Tani: "UAE Economic Performance; Example of al-Shariqah Emirate: Need for Crystallizing Development Program Despite Major Efforts Exerted by Emirate; Development of Industrial Coordination Between GCC Member States Dictates Developing Complete Strategy for Industrial Sector"]

[Text] To find out and keep up with the UAE economic performance, it is necessary to find out and keep up with the economic performance of each emirate separately because the total performance of the economy of the state in its capacity as a federated state is based on the subsidiary performance of the economy of each emirate independently and on the integrative distinction of the performance and economic experience of each emirate separately--a performance emanating from the given commercial, tourism, oil, or agricultural realities that ultimately shape the UAE's economic map.

International Influences

The Economic Department of al-Shariqah Emirate issued its third book in the series of "Al-Shariqah Statistics." Within the framework of a study of the economic performance of each emirate, which ultimately forms the UAE's overall economic performance, I have found it useful to refer to the contents of the Economic Department's book, which covers the years 1983 and 1984 and includes statistical data and indicators which reflect both the positive and the negative developments in the performance of the emirate's production and service sectors during the 2 years covered by the study. The economic analysis contained in "Al-Shariqah Statistics" book on the performance of the various sectors embraces the approach of tackling the emirate's economic issues as part of the UAE's economy and as part of the economic activity of the states included in the GCC [Gulf Cooperation Council].

Before proceeding to analyze the performance of the emirate's production and service sectors, the analysis touches on the general picture of the economic performance which is reflected both positively and negatively on the performance of the various sectors by virtue of the close relations and mutual bonds that bind the emirate's various economic sectors.

In talking of the general performance of the economy of al-Shariqah Emirate, it is impossible to separate this discussion from touching on the general performance of the state's national economy as a whole by virtue of its being an economy that interacts strongly with the economies of the GCC member states through the UAE's membership in the economic agreements that tie the GCC states, through the various activities in which these states engage to organize their economic affairs, and through these states' dealings with the outside world in their capacity as oil- and gas-producing countries that possess large reserves of both and in their capacity as importers of numerous commodities. This allows foreign trade to play a distinguished role in these states' economic structure. In view of this distinguished role of foreign trade, it is necessary to study the ramifications of the international economic conditions on the UAE's economic performance, of which the economy of al-Shariqah Emirate constitutes a part.

Regarding the performance of the international economies, especially the economies of the industrial countries, a relative state of stagnation--stagnation which had been expected to disappear in the past 2 years--continues to prevail and continues to have its strong negative ramifications on these industrial countries and at the international level by virtue of the economic role of the industrial states in their capacity as countries that export most of the world's manufactured goods and import many raw and primary materials. Moreover, the industrial countries' growth rates have not realized the expectations they were supposed to achieve. In the United States, for example, the authorities concerned had predicted an annual growth rate of 5 percent whereas all the indications show that this rate will not exceed 3.5 percent. As a result of the rise of the dollar's exchange rate versus the European currencies and of the U.S. adoption of trade protection measures, a big deficit has developed in the U.S. trade balance and economic revival has not been achieved to the degree that had been hoped for. Numerous problems continue to engulf the industrial economies' performance. Instead of achieving the expected economic revival, the prevalent economic state in the industrial countries, especially since 1983, can be called, as many economic analysts in the world have agreed, a phase of "growth stagnation," meaning that the growth is occurring at low rates that do not meet the hopes of curtailing many negative manifestations, such as unemployment and other negative features.

The failure to achieve the expected economic revival in the industrial countries has had its negative consequences on the developing countries' economies, especially the economies of the OPEC member states in their capacity as states that rely fundamentally on the exportation of oil and by virtue of the fact that their internal spending rates and their investment activity depend on the financial revenues from exports of this commodity. Moreover, these states' ability to secure their investment, intermediate, and consumer commodity needs depends largely on what revenues oil exports yield.

In addition to the failure to achieve the expected economic revival in the industrial countries--a revival which, it had been hoped, would increase the demand for oil and would maintain a high price ceiling in the world markets--the industrial countries' enactment of numerous energy-saving measures and systems has led to a drop in their oil consumption. Moreover, the utilization of alternative energy sources, such as coal and other sources, and the strategic reserve which the industrial countries amassed during the period in which the OPEC members raced to flood the markets with vast quantities of oil without studying the negative consequences which would emanate from such an action are other factors which have inflicted numerous hardships on the OPEC members and caused the development of a deficit in the budgets of some of these members. Some of them have also resorted to borrowing from the international banks and others have reduced their spending and modified their investment plans to make them compatible with the new circumstances.

According to the economic analysis of "Al-Shariqah Statistics" book, because al-Shariqah's economy is tied to the UAE economy, the former has, of course, been affected, like all the oil economies, by the negative developments pertaining to the world oil market and by the failure to achieve the hoped-for economic revival in the industrial countries. Moreover, the continuation of the Iraq-Iran war into the fourth year is still causing negative consequences to the emirate's economic structure, as well as to the other emirates, as a result of the decline in the re-export trade.

As for the general economic performance in al-Shariqah Emirate, the emirate is forging ahead with its policies for oil and gas exploitation with the purpose of diversifying the economic structure and in the hope of avoiding the dangers of reliance on the production and exportation of a single commodity constituting the only source of income. The emirate has been doing this by embarking on studying and implementing numerous projects that are aimed particularly at the ideal utilization of the vast quantities of discovered gas which can contribute effectively to the establishment of industries that participate in creating a firm economic base and in developing new sources of revenue, in addition to the oil and gas sector. The most prominent examples in this regard include the inauguration of the spiral piping plant in al-Saj'ah area in September 1984 with a designed production capacity of 25,000 tons a year and the start of construction of the gas liquefaction plant, in addition to the studies that are underway, including a study on the construction of a plant for the production of insulated electricity piping.

By bolstering its service infrastructure, by developing the work at the ports of Khalid and Khawr Fakkan, and by offering numerous facilities through federal and local legislation, the emirate seeks to create the right climate for boosting its economic activity.

These actions have had their beneficial consequences. This is demonstrated by the foundation of numerous commercial establishments and other kinds of establishments in 1983 and 1984, considering that 1,381 new establishments were entered in the commercial register in 1983 and 1,263 establishments were entered in 1984.

Some Negative Features

However, "Al-Shariqah Statistics" book does not deny that there are some negative features in the general and partial performance of the emirate's economy. As in the case of the UAE economy generally, the most significant of these features is perhaps the presence of some signs of saturation in a number of commercial activities. Moreover, the rate of development of the interest of the emirate's private sector in investment in the production spheres is still much lower than expected and below the levels to which this interest should rise in order to achieve a leap in the investment effort hoped for in the emirate. The private sector continues to devote its attention and to give obvious priority to trade activities despite the saturation in this activity. This is in addition to unproductive investments abroad. It is hoped that the decline in the dollar value versus the foreign currencies will contribute to the return of some capital to the emirate to bolster local investment activity.

On the other hand, there are some problems from which the emirate's economic activity suffers, as is the case in all of the state's emirates. These problems emanated from the big indebtedness to the banking sector, from the inability of some establishments and businessmen to repay the loans they owe, from the decline in the value of real estate sureties, and from the loss incurred by some establishments, such as the joint-stock companies, because some establishments have not been able to adapt to the new circumstances that have highlighted the flaws and deficiencies in the structure of these establishments.

The first part of the economic analysis of "Al-Shariqah Statistics" book concludes that there continues to be an urgent need to crystallize a development program, despite the big efforts exerted by the emirate to bolster its economic activity, that seeks to rely on combining the emirate's available resources and employing them in a balanced and comprehensive manner to serve the specific and predetermined objectives of economic and social development, considering that scientific planning is the ideal means capable of achieving the desired development.

Industrial Sector

By analyzing the performance of the emirate's various production and service sectors with greater detail and with a special emphasis on some influential sectors, such as the industrial sector which is

qualified to serve the emirate's aspiration for diversifying its production structure, the book notes that the number of industrial establishments of various sizes amounted in 1984 to 734 establishments, compared to 577 establishments in 1983. While the number of workers in industrial establishments amounted to 8,209 workers in 1983, this number rose to 9,823 in 1984, with an annual increase of 20 percent. The workers' wages rose from 179 million dirhams in 1983 to nearly 257 dirhams in 1984.

The emirate's industrial sector, like the UAE's industrial sector, suffers from numerous problems and obstacles. Most of them can be attributed to the absence of protectionism and of measures and policies that insure this sector's growth and enable it to achieve the objectives entrusted to it to diversify the national economy's base. It is the assessment of "Al-Shariqah Statistics" that the absence of protectionism is due to the absence of a complete industrial strategy that understands the important role of the industrial sector. Moreover, the continued failure to implement the industrial laws and legislation issued by the UAE puts numerous obstacles in the face of this sector's progress. In addition to the well-known example in this regard, namely the failure to implement UAE Law No 1 of 1979 concerning the regulation of industries and including, among other things, "Section 6" which defines the means to encourage industrial activity through various exemptions and benefits--in addition to this well-known example, the failure to adopt systems of standards and measurements is something negative that has its harmful consequences to the industrial situation in its entirety. Add to this the lack of coordination which has led to the emergence of a phenomenon on which all studies agree and which is called the phenomenon of repetition and multiplicity in the industrial projects established.

Positive Features

The economic analysis of "Al-Shariqah Statistics" book has sought not to be content with analyzing the negative features in the economic performance. It has also studied the positive features in this performance. In 1983 and 1984, the most significant positive feature in the performance of the UAE's and the emirate's industrial sector is the emergence of the activity of the UAE Industrial Bank whose policy has sought to channel the interest toward the existing industries with the aim of finding out their problems and obstacles and of insuring the coordination and integration of their production. However, it is the book's assessment that there is a need to establish a balance in lending to the existing industries and the new industries.

As for the other developments in the UAE industrial sector's performance which have had their impact on al-Shariqah industrial sector's performance, these developments are connected with the efforts exerted for industrial coordination between the GCC member states by the

Permanent Industrial Cooperation Committee, which includes these states' ministers of industry. These efforts include the endeavors to have the national products of the GCC member states exempted from all customs fees and other fees. In the past 2 years, there has been a growing desire to impose customs fees on a number of imported foreign goods in order to protect the local production of the GCC member states because it has been proven that inundation with foreign industrial goods subsidized by ample production in the countries of origin inflicts grave harm on the newborn Gulf industries. However, this tendency is moving within the framework of providing this protection to the Gulf industries that merit it, i.e., the industries whose production is founded on sound bases and standards. It is hoped that that Gulf industrial coordination will lead to opening broader horizons for the local production by expanding this production's marketing area. At the emirate level, it is visualized, according to "Al-Shariqah Statistics," that the industrial coordination policies in the GCC member states will boost al-Shariqah's industrial activity not only by marketing the goods produced but also with the possibility of setting up joint Gulf industrial projects in the emirates, taking advantage of its geographic location, of its developed infrastructures, and of its climate that is right for investment, especially since the experience gained so far from the industrial activity in the GCC states shows that it is beneficial to study and implement certain projects at a Gulf level by virtue of their enormous dimensions in terms of capital and prerequisites on the one hand and in the hope of utilizing the geographic area of the GCC member states as a broader market on the other hand.

It remains to be said that industrial coordination between the GCC member states requires the development of a complete strategy for these states' industrial sector so as to define the objectives sought over a certain period of time and to define the role of the GCC member states in implementing this strategy, either through the implementation of joint projects or through the assignment of one member or certain members to a certain industrial sphere. This strategy can be relied on to chart local strategies at the level of the individual member states to eliminate the problems and obstacles facing the industrial activity. It is the book's assessment that industrial coordination at the level of the member states depends on the level of coordination within each member state.

Agriculture and Flexible Opportunities

"Al-Shariqah Statistics" book demonstrates that agricultural activity in al-Shariqah Emirate, like agricultural activity in the UAE as a whole, faces numerous problems and obstacles. The most significant of these problems and obstacles lies perhaps in the sharp competition the local production faces from the imports--a competition that reduces the financial revenues of the producers. This may have negative consequences and may obstruct the efforts seeking to encourage these producers to increase agricultural output.

The agricultural sector, despite the meagerness of the flexible opportunities available to it when compared with the industrial sector, can, for example, play an important role in achieving the aspirations for diversifying the production base and, consequently, the revenue sources. Here is where the need arises to bolster and develop this sector's activities so as to serve the trends toward supplying the area's food needs and reducing the dependence on the outside world to supply these needs because of the negative consequences such dependence may have for the economic and social development march.

Sector Most Strongly Affected by Relative Stagnation

The economic analysis of "Al-Shariqah Statistics" book shows that the internal trade sector is perhaps the sector most strongly affected by the so-called relative economic stagnation, despite some manifestations which may, in the first instance, seem to contradict this statement. The most significant of these manifestations is the increase in the number of trade establishments, which rose from 4,274 in 1983 to 5,014 establishments in 1984.

The fact is that the increase in the number of trade establishments does not necessarily mean that the internal trade sector enjoys a good situation because all the available field indicators show that there are some problems and bottlenecks engulfing this sector. The most significant examples pointing in this direction are the following:

1. The rationalization and reduction of spending by the governmental sector and the decision at the federal level to be content with completing the ongoing projects have led to the decline of performance in a number of subsidiary commercial activities. The subsidiary activity most strongly affected has been construction and building activity.
2. The decline in the re-export trade rates as a result of continuation of the Iraq-Iran war.
3. The spread of the phenomenon of repetition and multiplicity from the industrial sector to the internal trade sector because the success of some commercial activities has encouraged emulation and imitation. As a result, enormous numbers of the same type of business have come into existence and a state of saturation has developed, thus causing a large number of trade establishments to embark on a sharp competition and giving rise to a feverish desire to sell, even if at meager profit margins and, in some cases, at cost prices.
4. The spread of the phenomenon of indebtedness to the commercial banks in the internal trade sector and the accumulation of the interest resulting from this indebtedness.

In addition to these external factors, there are intrinsic factors connected with this sector's structure and embodied in the lack of studies on the economic activity and on the reevaluation of performance by the sector's establishments in light of the new circumstances which govern the course of the national economy. Page 38 of the book notes a study conducted by the Economic Department. This study points out that since they were founded, the trade sector's establishments have not paid attention to the activities and spheres for which they were founded and have turned to speculation in the pursuit of quick profits, thus forgetting to develop their managerial and competitive capabilities so as to assert their presence in the markets and to improve constantly their production to make it compatible with the requirements of the local and Gulf markets. Moreover, the absence of financial and administrative control has caused some trade establishments to be run at exorbitant costs that are not at all in line with the financial results achieved.

By examining the statistical indicators of the emirate's internal trade sector, it becomes evident that the foodstuffs branch tops the list, with its establishments numbering 1,371, or 27.3 percent of the total number of 5,014 establishments, in 1984. It is followed by the building and construction branch with 775 establishments or 15.5 percent of the total number of establishments. The large number of building and construction establishments can be explained by the fact that many of them work in the sphere of maintenance. This is one of the promising spheres in the intermediate and long range because the various infrastructures and buildings need effective and constant maintenance with age. This is something that must be taken into consideration by the government agencies when mapping out their various economic programs so as to give the national establishments operating in this field the opportunity to contribute a bigger share in comparison with the foreign maintenance establishments which are now getting the lion's share of the maintenance activity.

By analyzing the data available on the emirate's banking sector, it becomes evident that the number of commercial banks operating in al-Shariqah amounted to 28 banks in 1984, including 9 local banks.

The most important development with a direct impact on the banking sector's performance perhaps the emergence in the past 2 years of the tendency to merge some banking units. The fact is that this tendency has not come as a result of the relative economic stagnation circumstances experienced by the UAE economy because many countries have witnessed at various times the merging of banking units with the aim of expanding the activities and reducing the costs. In the UAE, the motives for merging banking units are embodied in the following:

1. To create big and strong banking units with greater financial capabilities, thus leading to the presence of an effective banking sector. Such a sector serves to develop the national economy's performance.

2. To insure the presence of a better financial climate through the presence of a smaller number of commercial banks, thus making it easier for the Central Bank apparatus to establish control over the banking activity.
3. To reduce the intensity of competition in this sector--competition which has turned sickly in every sense of the word and which has been reflected in resorting to unwise means and methods to attract deposits.
4. To reduce the administrative costs of the banking units.

To sum up, the merger of banking units does not, according to the book, come as a temporary solution to problems and hindrances experienced by the banking sector. Rather, the indications show that this tendency is followed in order to develop the sector and to include the successful banking units as well, considering that merger as a philosophy is capable of serving and developing the banking sector in its entirety and is not just a solution to some problems and impediments.

"Al-Shariqah Statistics" book notes that the emirate's insurance sector experienced a drop in the number of operating insurance companies in 1984, that their revenues dropped considerably (9 percent), and that compensation installments also dropped (43 percent). These indicators show that the insurance sector has not improved significantly. It seems that negative features continue to affect this sector's total performance strongly. The most significant of these features is the unjustifiable competition between the companies operating in the sector. This dictates that the Higher Insurance Committee, formed in accordance with the UAE law concerning general insurance companies and agents and one of whose tasks is to chart the state's general insurance policies and propose the insurance-related regulations, study the possibility of establishing minimum insurance rates that can be adjusted according to the economic and market activity, and secure a proper competitive climate so as to overcome what may be called the race to smash the insurance market rates. Moreover, there continues to be an urgent need within the framework of the current insurance law to purge the insurance sector of some impurities and practices by establishing specific prerequisites for individuals and companies engaged in the insurance activity by virtue of this activity's sensitive nature and its connection with the performance in the various production and service sectors.

The book's economic analysis also notes that there are indicators and manifestations that imply the need for introducing qualitative development into the education sector, considering that it is a "fertile" sphere of development. Rather, this sector is considered an indicator of the levels achieved by development by virtue of the fact that man is the ultimate objective of development. On the

other hand, a quantitative development coupled with an adequate degree of qualitative development in this sector is capable of achieving the other sectors' requirements of the various human skills and capabilities without which the talk of developing the production sectors, for example, becomes unattainable.

At the emirate level, the statistical indicators emanating from analyzing the education sector show that in the period studied by this book (1983-84), the number schools rose from 81 schools in 1983 (including 57 government schools and 24 private schools) to 90 schools in 1984 (including 61 government schools and 29 private schools), with an increase of 11 percent.

At the qualitative level of the education sector, the book points out some manifestations that must be studied and solved, the most significant perhaps being:

1. The education sector, despite its importance as an indicator of the level achieved in social development, is still growing according to short-term programs. There is no specific strategy governing this sector's long-range development in light of the current economic changes and in accordance with the sector's vital role in supplying the other sectors' requirements of manpower skills and capabilities. It is important that such a strategy be developed immediately, relying on the outcome of the educational experience in the past decade and responding to the national economic circumstances in the current and future phases, especially with the change in the structure of the incoming foreign labor.

2. At a time when the state is seeking to expand the education umbrella and to train qualified national cadres, there is a drain that must be stemmed. This drain is embodied in the large number of school dropouts who do not complete their education, thus posing a threat to the state's tendency to make education the right and duty of every citizen. This drain is also likely to lead to the rise of social problems that may be difficult to solve.

3. The UAE seeks to give priority in its development programs to the production sectors, especially industry and agriculture. This dictates bolstering the process of preparing and training technical cadres at the intermediate and lower levels. We should not content with training highly qualified cadres, such as engineers, so that this may not lead to the creation of a gap in the structure of the skilled national cadres. However, the experience proves that many of our student citizens refuse to enroll in technical education, preferring other activities, such as commerce and office jobs, keeping in mind that middle-level technical training, for example, is capable of insuring good incomes to people with such training who work in the government or in the private sector.

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18 March 1986

BANGLADESH

FRONT LEADERS REPORTEDLY 'DISSOCIATE' FROM JATIYA

Dhaka HOLIDAY in English 10 Jan 86 pp 1, 8

[Article by Amanullah Kabir]

[Text]

Unification of the Jatiyo Front components into a party has led to a revolt in the power lobby as all its constituent parties have split over the issue and a good number of its leaders said to be "deprived" have announced their dissociation from the newly-born Jatiyo Party.

All of them were opposed to the liquidation of their respective parties and formation of one party by dissolving the front. It is clear from their statements that the decision of floating the Jatiyo Party has been imposed on them from the top-most level.

The new party has been floated with a qualitative change in the leadership and a new generation has been installed in the party hierarchy. Stalwarts of the government-sponsored party Janadal, like Ataur Rahman Khan, Mahbubur Rahman and Amjad Hossain Khan have been dropped from the leadership of the new party while Mizanur Rahman Choudhury, secretary general of Janadal, has been reduced to a political dwarf.

The post of secretary general of Jatiyo Party went to M.A. Matin instead of Mizanur Rahman Choudhury who has been associated with the government party since the beginning and had been steering it through odd days. He was not even present at the press conference where the formation of the new party was announced.

In a joint statement 31 central leaders of Janadal protested the dissolution of the party and said that the party did not take any decision in this regard.

Many of them, whose names were included in the list of Jatiyo Party presidium and national executive committee and were published in the national press, have expressed surprise and said that they had no connection with the new party.

Meanwhile, leaders of the Jatiyo Front components, Shah Azizur Rahman and Syeda Razia Fayeze, have announced that their parties had no connection with Jatiyo Party and they had not dissolved their parties.

Some central leaders of Ganotantrik Party, another constituent of Jatiyo Front, have also opposed the merger and split into two factions.

The BNP faction led by Shah Azizur Rahman, who had been away from Dhaka at the time of formation of Jatio Party, held a joint meeting of its leaders on Wednesday to decide its future course of action.

The factional meeting would also take a decision regarding its leaders, Mayeedul Islam and Sultan Ahmed Choudhury who are government ministers and members of the Jatiyo Party presidium. The faction has decided to hold a conference of its leaders from all levels on January 23.

The Muslim League group led by Syeda Razia Fayeze has already disowned its President Justice B.A. Siddiky and vice President Salahuddin Qader Chou-

dhury, and has formed a central committee at a council meeting recently.

On the other hand, the rebel leaders of the now-defunct Janadal are maintaining close contacts among themselves and they are learnt to have sat together several times.

But they seem to be confused about their future course of action. They will again sit on January 17 to take a decision as to what to do.

But the meeting will not be attended by former prime minister Ataur Rahman Khan though he has been contacted. Mahbubur Rahman may not also attend the meeting.

When contacted on Wednesday, Mr Khan said that he had lost his confidence in everyone as those who were maintaining close contacts with him earlier

were now keeping away. But he did not rule out his association with the rebel group of the new dissolved Janadal, which is thinking aloud of three proposals: revival of Janadal, formation of a new party, or a forum like MRD of Pakistan where all political leaders fighting for establishment democracy in the country will be invited.

A leader of the rebel group told this correspondent that they would take a decision at the January 17 sitting on this future programme and hoped that both Ataur Rahman Khan and Mahbubur Rahman would join them later. They had several rounds of discussions with them on their future program, he said. He claimed that they had received encouraging response from leaders of different districts of the now-defunct Janadal.

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18 March 1986

BANGLADESH

HASINA SPEAKS ON MUJIB'S 'HOMECOMING DAY'

Dhaka THE NEW NATION in English 11 Jan 86 pp 1, 8

[Excerpt]

Awami League chief Sheikh Hasina underscored the need of a united movement for restoration of democracy and urged the people to be alert so that no farcical election could be held in the country.

'We won't allow the present government to legalise the its usurped power through an election they are trying to hold ignoring the peoples desire,' said Hasina while addressing a big public meeting held in observance of Bangabandhu Sheikh Mujibur Rahman's 'home coming' day yesterday at Baitul Mukarram square.

On this day in 1972, Bangabandhu Sheikh Mujibur Rahman having been released from Pakistani prison returned to Dhaka via London.

'We want that the election should be held on the basis of the 5-point demands for which much blood has been shed and there is no retreat from the stand,' said Hasina.

She asked President Ershad to contest in the parliamentary elections after resigning from the armed forces.

Presided over by Sheikh Hasina herself the meeting was addressed by other Awami League leaders Abdul Mannan, Zillur Rahman, Tofael Ahmed, Begum Sajeda Chowdhury, Syeda Zohra Tajuddin and Omar Ali.

The Awami League chief called for a free and fair parliamentary elections under a non-partisan government.

Referring to previous occasions when election dates were announced and cancelled, Sheikh Hasina urged the authorities to stop the practice of announcing the election date at one's will and postpone it after, blaming the oppositions for their non-participation.

She said that democracy not military rule was the only way out from the prevailing crisis due to continuous denial of people's rights.

In this context the Awami League leader said, it is a fact that 'ballot' is more powerful than 'bullet' because the ballot is required for legalising the bullet all over the globe. It is also true that power could be seized by using bullet for a short period only but politics would control arms in the long run, said Sheikh Hasina.

She accused the government of pushing the country's armed forces against the people for fulfilment of petty interest of ambitious few. The Awami League leader urged the members of armed forces not to be utilised by handful of people bent on materializing their ambition.

She also cautioned the civil servants that the posting of

armed forces personnel in civil administration and foreign services would harm their interest and be a burden on them.

Dispelling rumours that the country's armed forces would be dissolved if Awami League comes to power Sheikh Hasina said it was Awami League under the leadership of Bangabandhu Sheikh Mujibur Rahman which reorganised the shattered defence forces after the liberation of the country.

She said that the image of the armed forces had weaned due to government policy.

Sheikh Hasina said that none but Awami League which reorganised the armed forces could restore their lost image.

She further said no defence personnel was assassinated during the Awami League rule as it had been happening since the August 1975 change over in the country. Since then taking of power by force and forming political parties by the people in power followed by farcical elections had become a common practice, she said. This practice could continue because of greedy political leaders, she added.

Sheikh Hasina said only Awami League, which has brought freedom of the country, could free the people from the yolk of military rule and restore democracy in the country.

/9317

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BANGLADESH

ERSHAD REMARKS ON GOVERNMENT LEGALITY STIR OPPOSITION

Report on 12 Jan Speech

Dhaka THE BANGLADESH TIMES in English 13 Jan 86 pp 1, 8

[Text]

The President and Chief Martial Law Administrator, Lt. Gen. H.M. Ershad, on Sunday told a huge public meeting in Dhaka that the polls date once announced this time would not be shifted.

"This is a promise to ten crore people of the country. I shall not back out from that promise", the President said.

The President was addressing the first public meeting of the Jatiya Party at Baitul Mukarram Squar as special guest.

Urging the patriotic political leaders to participate in the polls to present the nation with a democratic government, President Ershad emphatically said "We want to establish democracy".

President Ershad said that he had come to address the public meeting of JP because basic objectives and ideologies of the party were not different from those of his own. He called upon the people to rally round the Jatiya Party banner to help establish a democratic government.

The speech of the President was frequently punctuated by thunderous slogans from the crowd supporting his leadership and policies.

People carrying festooned banners and placards starting coming to the meeting venue from noon. Some of the processions came with band parties.

Presided over by Mr. Mizanur Rahman Chowdhury, Member, Presidium of Jatiya Party (JP), the meeting was addressed by JP Presidium members Shah Moazzem Hossain, Minister for Information, Mr. Moudud Ahmed, Minister for Communications; Kazi Zafar Ahmed, Minister for Commerce and JP Secretary General Prof. M.A. Matin, Minister for Works, Member-Secretary of JP and Minister of State for Information Mr. Anwar Zahid and Joint-Secretary General and Minister of State for Energy Lt. Col. (Retd.) Zafar Imam conducted the meeting.

Referring to the question raised by a particular political party about the legality of the present government, President Ershad said that the people through the referendum had acknowledged the legality of his government.

BLACK CHAPTER

President Ershad said that there remained unanswered questions about the legality of the government formed in 1972.

"What happened then, was a matter of great shame and a black chapter in the history. It is better for the nation to keep this black chapter buried", the President said.

"It is now written in the history, not in golden letters but with the ink of disgrace, that who killed democracy and introduced one-party autocratic rule overnight", President Ershad said.

Who introduced Martial Law in the country for the first time? the President asked, adding, "He was a leader of your party a civilian. The ministers under him were also the members of your party", President Ershad said, "If Martial Law was essential and legal at that time to save the nation then why legality of the present Martial Law being asked" President Ershad asked.

He had taken over the administration of the country in 1982 when the nation was sinking in the dark abyss and there were "spontaneous call" from the people.

HISTORY OF ACHIEVEMENTS

President told a cheering crowd that the history of the country of past four years was a history of glory and achievement.

ments. He touched on the reforms his Government had so far brought about in different sectors of the country.

He said that the administration had been taken to the doorstep of the people through administrative decentralisation. Islam had been established in the national life to arrest the decadence of social values, he said. In this context he referred to inclusion of religious education as a compulsory subject, declaration of Friday as the weekly holiday, and formation of Zakat Fund.

The President termed the Drug Policy as a revolutionary one and said that the policy which had been praised abroad had made medicines cheaper for the commonman. Land reforms measures had protected the rights of the poor farmers and sharecroppers, he said. The reformative measures of the present government had reduced the migration of the rural

people to urban areas reduced. "Even during last floods, rural people did not come to the cities", he said.

He said that basic changes had been brought about in judiciary to take it to the doorstep of the people.

The President said that his Government stood beside the cyclone-and flood-stricken people with all possible assistance and "not a single person died of starvation" after these natural calamities. But President Ershad noted none of the previous governments could do what the present government had done for establishing rights of the womenfolk. There were starvation deaths in the past. "We have established the country of ten crore Muslims" in the world.

SAARC, SAF GAMES

Referring to the launching of South Asian Association for Regional Cooperation (SAARC),

the President said that through SAARC the leadership of one billion people had been entrusted to 100 million people of Bangladesh. Referring to the holding South Asian Federation Games, a proud President noted with full satisfaction that "our people have proved that they can make the impossible possible through their unity".

CAMPUS SITUATION

Turning to the campus situation, the President regretted that the campus had now turned into a battlefield.

He called upon all political leaders and citizens of the country to help restore congenial academic atmosphere in the campus. Otherwise, the President said, the nation would face ruination.

The President referred to measures his Government has taken so far for the welfare of the people.

Repudiation from Hasina

Dhaka THE NEW NATION in English 14 Jan 86 pp 1, 8

[Text]

The chief of Bangladesh Awami League Sheikh Hasina yesterday strongly repudiated President Ershad's contention about the legitimacy of the 1972 government.

Sharply reacting to the statement made by the President at the Baitul Mukarram rally organised by the Jatiya Party on Sunday the Awami League Chief told ENA a person with scant regard for the sovereign reality could only make such irresponsible pronouncements.

She said by calling in question the legal basis of the 1972 government, President Ershad has not only expressed his utter contempt of the War of Liberation but also made a mockery of the supreme sacrifice made by three million valiant sons of the soil to wrest independence of Bangladesh from the colonial clutches of the occupation forces.

Sheikh Hasina said by questioning the legality of the '72-government, President Ershad has, in fact, questioned the legal basis of all the proceedings of the constituent assembly which presented the nation a constitution, besides making appointments of the government servants including his own appointment as an army officer.

If he has doubt about the legitimacy of that government, then how can he hang on to power she added.

Bangabandhu Sheikh Mujibur Rahman's daughter Sheikh Hasina, recalled how the Constituent Assembly was formed and the Government constituted soon after the Liberation War. Is there even an iota of doubt in any mind in Bangladesh about the popular sanction behind that Government constituted by the elected representatives

of the people of Bangladesh to the War of Liberation and achieved for them an independent homeland.

The Awami League Chief once again asked if it was proper on the part of President Ershad who is still in active service to make political speeches from the platform of a political party.

She quoted relevant legal provisions which prohibit government servants from dabbling in politics and making political speeches.

Asked if Awami League would take part in the national elections, Sheikh Hasina said, her party is against putting a cloak of democracy on uniform. She said, Awami League seeks free and fair elections which will produce truly representative government to reflect hopes and aspiration of the people.

She, however, hastened to add her party will consider the question of participating in the elections only after the pre-March one conditions are restored. Explaining what she meant by pre-March one condition she said it does not mean only dissolution of the cabinet but also annulment of the controversial referendum and upazila elections.

Questioning the validity of the referendum and upazila elections, she said, these were held under Martial Law and after banning all political activities. She described the holding of referendum and subsequently of upazila elections as 'illegal'.

She said Martial Law administration can not define powers, functions and duration of an elected body like the office of upazila chairman. Only an elected Parliament can give decision on such a sensitive issue.

Sheikh Hasina claimed upazila elections were held only to create a power base for the present Martial Law government. It is with the help of this

power base, President Ershad is trying to legalise his government, and to cross over the forthcoming electoral hurdle, she added.

Ridiculing the floating of the new party "Jatiya Party" the Awami League Chief stated President Ershad first gave birth to 18-point implementation council. After that he produced one after another Janadal, Jatiya Front, Jatiya Party. Unfortunately all the political babies he produced had premature deaths. "I wonder if the present political baby of President Ershad will survive," she said.

VC VIRTUALLY DISMISSED

Awami League Chief Sheikh Hasina deplored acceptance of the resignation tendered by the Vice-Chancellor of Dhaka University without fulfilling the pre-conditions put forward by him for cleaning the campus of the unauthorised arms and armed hooligans vitiating academic atmosphere therein.

Sheikh Hasina told ENA yesterday that the Vice-Chancellor had expressed his utter helplessness in the face

of mounting violence caused by rowdy elements and sought co-operation and help of the Chancellor to help restore condition conducive to sound academic atmosphere in the campus. By accepting the Vice-Chancellor's resignation without rendering required assistance the Chancellor had virtually dismissed him, she added.

She said acceptance of the Vice-Chancellor's resignation without discussion and without fulfilling his pre-conditions the administration had proved beyond any shadow of doubt that it was not interested in cleaning all educational institutions including Dhaka University of unauthorised arms and armed terrorists. Nor is it keen to restore academic sanity in educational institutions, she added.

Sheikh Hasina complained of the government's involvement in creating conditions to frustrate the autonomy of the universities and force out two elected Vice-Chancellors in a succession. These waves of terrorism in the campus are intended to install the pro-government muscle men in the university.

Ershad: Remarks Misinterpreted

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 86 pp 1, 8

[Text]

President Ershad questioned the legitimacy of the Government formed in 1972 for independent Bangladesh and its authority to impose unilaterally its will on the whole nation.

His scepticism is mainly due to the fact that the party which formed that Government fought the 1970 election and sought people's mandate to frame a Constitution for Pakistan on the basis of its six-point programme and to form a Government in Islamabad.

In a sharp rebuttal of Sheikh Hasina's reactions and references to the President's Baitul Mukarram address a source close to the President said Awami League fought the election of 1970 within the framework of LFO (Legal Framework Order) and under Martial Law to form a Government for the whole of Pakistan on the basis of its six-point programme and not to constitute a Government for independent Bangladesh.

Elaborating his argument the source said following breakdown of the protracted negotiation with Yahya Khan in March, 1971 the whole nation including all patriotic parties, went whole hog for the war of liberation. Even the members of the armed forces took up arms to participate in that war. The Bengalee elements in the Armed Forces stranded in Pakistan were kept confined for the whole period of liberation war and after. Thus the liberation war was not confined to one party alone.

Therefore, it would have been in the fitness of things to form a national Government consisting of all patriotic parties and forces after the war which cost 3 million lives. Such a Government could adequately reflect the wishes and aspirations of the people, besides being a competent body to present a Constitution to the nation the source added.

But instead a single political organisation grabbed power and formed the Government soon after the war by depriving all patriotic elements of their right to give proper direction to the newly-liberated country thereby denying their struggles and sacrifices.

That is the reason why the legitimacy of that single party Government is disputed and the basis of the Constitution and the form of government envisaged in it are debated even today, the sources said.

Refuting the allegation that President Ershad by questioning the legality of the '72-Government had demonstrated his disrespect for the martyrs of the liberation war the source said the President on the contrary,

holds in high esteem the 3 million martyrs most of whom are non-Awami Leaguers and their supporters. He further went on to add Awami League by denying them their right to be in the Government after independence had shown its utter disrespect to those Shaheeds and refused to recognise their sentiments and sacrifices. The President in his address at the Baitul Mukarram meeting did not give details of these incontrovertible facts of history because he did not want to open the Pandora's Box. He was compelled to make oblique reference to the legality of the '72-Government in response to the recent utterances of the Awami League chief.

The source noted with regret derogatory references being made to the patriotic Armed Forces who fired the first shot for the country's war of liberation. He hoped such references will not be made in future, the spokesman said.

The spokesman further added it is an irony of fate that the politicians of that party who killed democracy in this country are now shedding crocodile tears for it. But let it be noted that this soldier-President will salvage Bangladesh from the morass of political and economic crises into which the country had been rushed and give it a durable democratic order reflecting the hopes and aspirations of the people.

Explanation Given

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 86 pp 1, 8

[Text]

NAZIRPUR (Piroipur) Jan. 14.—President Hussain Muhammad Ershad said here today nobody has the right to belittle or undermine the sacred war of independence which led to the emergence of independent Bangladesh reports BSS.

Addressing a mammoth public meeting at the local College Maidan the President said the war of independence was a historical struggle of the freedom-loving people of the country.

Referring to an attempt of certain quarters to misinterpret his speech at the Sunday's rally at Baitul Mukarram Square he said in fact these quarters are trying to hide their misdeeds during and after the Liberation War and undermining the contribution of the people in the war by wrongly interpreting his contention.

President Ershad said the people irrespective of party affiliation and opinion collectively fought to snatch the bright sun of independence. But he asked at whose indication and support a particular political party captured power in the wake of independence.

Although the people belonging to all shades of opinion participated in the War of Liberation yet a particular group formed a party-based Government sub-

sequently ignoring the formation of a representative national Government.

Therefore the President said any citizen of the country could raise a question on the formation of a particular party-based Government by-passing the logical need for a national Government.

Such a question if raised should not be construed as an aspersion on the independence the President observed.

President Ershad pointed out that elections to the then national and provincial assemblies were held in 1970 within the legal frame-work. But after the glorious independence war without forming a national Government a constituent assembly was formed by merging the then Pakistan National Assembly and East Pakistan Provincial Assembly.

This constituent assembly thus formed he said had adopted the constitution of Bangladesh.

President Ershad said the people of his country did not authorise the East Pakistan Assembly to participate in the making of the country's constitution nor any constituent assembly was elected for making the constitution of independent and sovereign Bangladesh.

President Ershad said before 1973 the people of Bangladesh had not also elected any parliament to make plans for Bangladesh or to form any Government.

He said it was clearly mentioned in the proclamation of independence of April 1971 that Sheikh Mujibur Rahman shall be the President of Bangladesh till the framing of a Constitution and in his absence the Vice-President shall act as the President.

This Proclamation of Independence of April 1971 had not authorised the then President to bring any change to it he pointed out.

President Ershad said but to our surprise we saw the appointment of a new President in early 1972 in place of the President named in the Independence Proclamation of April 1971.

He posed a question was not it an illegal step?

The President said it was yet a matter of any thing surprising that by showing utter disregard to the sacred document of the independence and even belittling the right of the Constituent Assembly formed by them the Provincial Constitution of Bangladesh Order 1972 provided for appointment of the President of Bangladesh by the Cabinet.

Criticism from Begum Zia

Dhaka THE BANGLADESH TIMES in English 16 Jan 86 pp 1, 8

[Text] Bangladesh Nationalist Party Chairman Begum Khaleda Zia on Wednesday said that calling the post-independence government as "illegal" was "tantamount to rejection of War of Independence."

Begum Zia said that by raising controversy on the War of Independence of the country the government had, in fact, rejected the War of Independence.

The BNP Chairman was addressing the special extended meeting of Jatiyatabadi Juba Dal at the DDSA Auditorium. Presided over by Juba Dal President Mr Abul Kashem, the meeting was addressed by BNP leaders Messrs K.M. Obaidur Rahman, Abul Hasnat, Farida Rahman, Tanveer Ahmed Sidiky, Abdul Matin Choudhury and Mirza Abbas, Acting General Secretary of Juba Dal.

Begum Khaleda Zia said that the people from all walks of life fought the War of Independence in 1971. After the independence, the professionals had returned to their respective profession, leaving the leadership of the country and power to the people. They did this showing their full respect to democracy and War of Independence, she said.

The BNP Chairman said that time had come to wage a new war. "This war aimed at restoring democracy in the country", she said.

The BNP Chairman said that people of Bangladesh were fond of democracy. For this reason they kept the BNP in power after the death of Ziaur Rahman and again exercised their democratic rights by electing the party to power in November 1981.

Begum Zia said, in democracy if a person becomes unable to run the government, power is handed over to the second man in the party or government. President Sattar however could not hand over the power to any one.

The BNP Chairman said that the present government had made commitment at the time of taking power that they would hold elections within two years under the provision of the sus-

pending Constitution. But, four years had passed and the elections were not held. "This government does not want to hold elections due to the fear that it will suffer defeat.

Mr. K. M. Obaidur Rahman said: "our demand is, power must be returned to Parliament of 1982. President Sattar is dead, but the Vice-President and the Speaker of Parliament are alive".

Mr. Abul Hasnat said that the killing of President Zia and the subsequent dissolution of Sattar's government were all part of a conspiracy. And some of the cabinet members of President Sattar were involved in that conspiracy. "The conspirators shall not be pardoned, because they betrayed the nation, democracy and Constitution", he said.

Mr. Tanveer Siddiky said that dedicated workers were the

backbone of an organisation. He said that the Juba Dal did not require to have many workers. Only 20,000 dedicated workers were enough who would be prepared to "gherao the betrayers".

Mr. Abul Kashem said that conspiracy had begun during the life time of President Ziaur Rahman. "Shaheed Zia was the first victim of that conspiracy, the next ones being his party and government", he said.

Mr. Kashem said that those who tried to establish the ideals of Ziaur Rahman, were ousted from the Cabinet of President Sattar.

Referring to the arrest of Imdu, Mr. Kashem said "Imdu was arrested from my house at a time when neither me nor my family member were present at the house. It was a conspiracy directed to the party".

Toaha Slates Remarks

Dhaka THE BANGLADESH TIMES in English 16 Jan 86 pp 1, 8

[Text] Mr Mohammad Toaha, Chairman of Bangladesher Samyabadi Dal (ML), one of the components of the 15-party Alliance, said on Wednesday that the present Government was internationally recognised legal Government and it would be tional to term it as illegal.' [sentence as published]

He was addressing a press conference and demanded formation of a national government to hold general elections.

Asked whether he was ready to accept a national government headed by President Ershad, Mr Toaha said 'the person is immaterial. President Ershad can also form such a government with patriotic and democratic forces from both inside and outside the government, except those who had opposed the creation of independent Bangladesh.'

Asked to identify the patriotic and democratic forces, Mr Toaha said 'all except the Jamaat-e-Islami and Muslim League.'

Mr Toaha said that all concerned, both in the Government and the opposition must realise the situation and help restore democracy in the country as quickly as possible.

Referring to the infrequent and often violent changes of the Government since 1947, Mr Toaha said that this country was under Martial Law for 25 out of 38 years. In order to ensure their market for capital investment, imperialist forces had often hatched conspiracies, toppled democratic governments and helped impose undemocratic regimes. 'It was for such conspiracies that three heads of state were killed, five were forced to resign and we lost many other talented persons,' he said.

He said that the movement for the realisation of the five-point demand reached its peak last year when the Government was forced to concede some of the major demands of the opposition. But the movement slowed down when the 15-party Alliance and the 7-party Combine failed to take timely steps and the government succeeded in taking advantage of the situation.'

He said that the Government now holding an upper hand must refrain from taking any hasty decision as regards holding of general elections. On the other hand, the opposition must also guard against obstinate activities and utterances which might help prolong Martial Law and delay restoration of democracy in the country.

The BSD chief said that earlier he had demanded a non-political neutral caretaker government for holding the polls, but under the changed circumstances that was no longer necessary. Rather he now firmly believed that holding of polls under a caretaker national government consisting of patriotic and democratic forces could help solve the present political crisis.

In reply to a question, Mr Toaha said a round table conference might be necessary prior to the formation of the national caretaker government.

Asked whether he had any discussion with the leaders of the 15-party Alliance regarding his one-point demand, Mr Toaha replied in the affirmative and said that some of the components of the Alliance had supported his demand.

The press conference was also attended by members of the Presidium Dilip Barus Assadar Ali and Khandker Al Abbas.

Statement from Commerce Minister

Dhaka THE BANGLADESH TIMES in English 17 Jan 86 pp 1, 8

[Text]

Commerce Minister Kazi Zafar Ahmed on Thursday expressed his regret at the machination of a particular political party which is now active to fish in troubled water by raising a controversy over a relevant remark of President Hussain Muhammad Ershad, reports BSS.

In a statement, Mr Ahmed said President Ershad in his public meeting at Baitul Mukarram Sunday noted by way or argument that if the legality of his government was raised unnecessarily he could also point out that many had questions about the government of 1972.

The Commerce Minister, who is also a member of the Presidium of Jatiya Party, said, in fact, the question of constitutional legality of the Awami League government of 1972 was not something new. This question was raging in the minds of the vast majority of the patriotic people just from the outset of our independence and "it is still very much alive", he added.

Mr Ahmed said he firmly believed that those who were creating a smokescreen of controversy by capitalising the issue of the legality of the 1972 government, were still seeking an opportunity to revert to "the concept of one leader, one country and one party system".

Kazi Zafar Ahmed said in an unequivocal term that none had any right to undermine the sacred War of Liberation.

Tracing the post-liberation history, the Commerce Minister recalling that immediately after the liberation of Bangladesh the then main opposition leader, Maulana Abdul Hamid Khan Bhashani, had time and again raised the question of the legality of the Awami League government of 1972. "As a General Secretary of Bhashani NAP between 1972 and 1975, I myself had challenged the constitutional and moral legality of the Awami government in my numerous statements", he added.

He further said that the then JSD had raised this issue on many occasions. Are not some components of an alliance, now trying to muddy water on this issue, raising question about the government of 1972, he asked.

In this context Mr Zafar Ahmed pointed out that JSD (Siraj-Inu), one of the main components of 15-party alliance, told a Press conference of January 11 that it was people not Awami League who had won the independence of Bangladesh.

The JSD went to the extent of saying that the armed Gono-bahini (people's army) had to be raised to protect the people from the tyranny and oppres-

sion of Awami League government, Kazi Zafar said adding: 'Is it not clear from this assertion of JSD as to who had actually trampled the image and values of Liberation War.'

In spite of all these things, he went on to say, if the legality of Awami League government was raised this quarter became active to flare up a situation branding it as a denial of recognition to the War of Liberation insult to the War of Liberation and so on.

This, in fact, reflected the mentality of the concerned quarter, he said and noted that it was not difficult to understand that they were seeking an opportunity for establishing the concept of 'one leader, one country and one party system.'

The Commerce Minister said it was surprising that by cashing in on the issue of legality of 1972 government this known political camp was again active to rehabilitate itself in political field. It was also seeking to establish by misinterpreting the statement of President Ershad that it (statement of Ershad) amounted to denial of the Liberation War.

But the history bears out the fact that the very essence of the Liberation War was denied in 1972 by establishing a one-

party autocratic rule by diverting the war to a different stream under the patronage of a particular quarter and being guided by a narrow partisan interest.

The Commerce Minister noted that the values of the Liberation War stood trampled under the conspiracy of capturing power. The indiscriminate killings, acts of plunder, arson, and hijack under the government of the post-liberation period, and finally establishment of a one-party rule, had proved beyond doubt who had destroyed the essence of the Liberation War, denied the liberation war and insulted the freedom fighters and the martyrs.

He said it is a historical truth that the Liberation War of Bangladesh was not the creation of any single political party. Neither it was started to instal a particular party into power. On the contrary, the people were active in the struggle when Awami League was busy to share power under the framework of Pakistan. When the Pakistani authorities fell upon the people on March 25, 1971 the Awami League leadership was busy protecting themselves by fleeing. At the critical juncture of the national existence of Bangladesh, a soldier for the first time gave a call for resistance over radio from Chittagong. The Armed struggle started following the call. Patriotic forces, irrespective of party affiliations and groups, fell on the resistance struggle, after the call, he said.

It was surprising that Awami League from the very beginning tried to keep the glorious national Liberation War within the limits of its narrow partisan war.

It was also a historical fact

that the War of Independence was flourishing under the leadership of freedom fighters irrespective of their party affiliations when the Awami League leadership were engaged in killing the anti-Awami League freedom fighters and busy in looting relief goods, Kazi Zafar said. As a result, the Awami League leadership became isolated from the people as well as the freedom fighters and they suddenly came to power with the assistance of certain quarters with a view to leading the war of Independence into a different angle.

The Commerce Minister also said that the Awami League had participated in the 1970 elections with a view to forming a central government in Pakistan, not for running the government of independent Bangladesh. Besides, he said, the national context had also been changed through the holding of the War of Independence.

He also said that the War of Independence was not led by the Awami League alone, and for that reason the "National Advisory Committee for War of Independence" was formed in which Maulana Bhashani of NAP, Mohi Singh of the Communist Party, Prof. Muzaffar Ahmed of NAP (M) and Mr. Monoranjan Dhar of Congress were members. When Awami League sought to make the War of Independence a party affair a "Coordination Committee of the National War of Independence" was formed under the leadership of Maulana Bhashani, the "Purba Banglar Sarbahara Party" of Siraj Sikder and other armed groups also contributed greatly in the War of Independence.

Kazi Zafar also pointed out that the Freedom Fighters (FF), Bengal Regiment, EPR, Police, Ansar, students, peasants, workers and people from all walks of life played a vital role in the War of Independence. Their names and contributions would be written in golden letters in the history of our nation, he said.

Under such circumstances, Kazi Zafar asked, how can it be legal to form a party government without forming a national government. Is it not a denial of the war of Independence? he further asked.

Explaining the situation, the Commerce Minister also said that the MNAs and the MPAs of Awami League had taken mandates of the people for forming a government in Pakistan, not in Bangladesh. How can their government in independent Bangladesh be legal when they had been elected in a Pakistani structure, he questioned.

Besides, he pointed out, Sheikh Mujibur Rahman was declared President and Syed Nazrul Islam the Vice-President by the Mujib Nagar Government. In this context, the Minister also questioned, how another man was chosen the President of the country. He also asked does it not amount to violations of the "Mujib Nagar Declaration"? and said thus the legality of the government of 1972 can easily be challenged.

The Minister also said that the people of the country would remain united and vigilant against those who would try to create a debate on the question of 1972 government and try to re-establish the slogan of one leader, one country and one party system. Finally, he said firmly that none has the right to belittle the sacred independence of the country.

Press 'Advised' on Issue

Dhaka HOLIDAY in English 24 Jan 86 pp 1, 8

[Article by Ferdous Kabir]

[Text] The war of words between the government and the opposition that followed President Ershad's remarks about the post-independence (that is, the '72 government formed by the Awami League) government at a public meeting in the city had to be ended by "advising" the national press.

The Press Information Department of the Information Ministry told the daily newspapers over telephone immediately after the 15-party public meeting on January 15 that "it is a high-level instruction not to publish any news contradicting the President's remarks about the '72 government."

At the same time the government had a statement of the commerce minister published in the press supporting the President's views. The next day a national Bengali daily enjoying the backing of the Awami League came out with a blank space on its first page in protest without publishing the news.

This was not the first time that a government in this country had to resort to such measures to save its own position in the face of a wave of criticism from the opposition or any other quarters. Such advices or instructions from the PID are almost a regular phenomenon. It is of course unimaginable that there would be press freedom under a martial law government.

The government advice about the news of the

January 15 fifteen-party public meeting evoked criticism from different quarters including the opposition political parties and the journalists unions.

The newsmen and the newspapers have in fact become victims of an unwritten policy of the government which is controlling the press two ways—through laws and through financial measures.

The editorial power of the newsmen has been curbed by the "black laws" while the financial condition of the newspapers is being controlled through the DFP which handles about 75 percent advertisements in the country. Many of the newspapers which have incurred the wrath of the government have been either blacklisted or had their advertisement quota reduced.

There is a press consultative committee formed by the government. The committee is composed of editors of the national newspapers' information secretary, home secretary and the foreign secretary, and is supposed to meet on important occasions or when an emergency situation arises.

But the information ministry never convened any meeting of the committee recently, as it could not take the editors into confidence or it has no confidence in them regarding their sense of responsibility.

There is another quasi-judicial body, the Press

Council, to supervise the behavior of the press. It is a recorded fact that the government did not go to the Press Council with its complaints against any newspaper nor did it ever try to take the Press Council into confidence.

Rather the government preferred to adopt unilateral actions against a newspaper which it considered "hostile" or "irresponsible." The government which gave assurances to the journalists as well as the newspapers that it believes in press freedom and would not take any unilateral decision against any newspaper has it appears decided otherwise. This has made the position of the newsmen and the newspapers vulnerable to attacks from both the people and the law enforcement agencies of the government.

Moreover, by using the advertisements as a "weapon" against the newspapers the government has really thrown the newspaper into a critical situation.

The government ought to remember that if the national press loses people's confidence, as the state-controlled radio and television have done, it would not ease but deepen the crisis of confidence, and widen the communications gap between the government and the people.

/9317

CSO: 4600/1408

18 March 1986

BANGLADESH

POLITICAL ACTIVITY IN UNIVERSITIES DEPLORED

Dhaka THE BANGLADESH OBSERVER in English 10 Jan 86 p 5

[Editorial]

[Text]

The Vice-Chancellor of Dhaka University has resigned. An uncontrollable campus situation has been stated to be his reason to do so. A general scare prevails among students and teachers in and around the campus, created by a progressively deteriorating atmosphere over the past few days. Clashes between student groups and the violent turn they took have, understandably, led to the chief executive of the university to take the extreme step and have also, reportedly, made the teachers think of resigning for security and other reasons. It may be recalled that similar incidents on the campus around March last year had led to the closure of the university for an indefinite period. After a forced recess of about five and a half months the university reopened in July 1985. Hardly had another five months passed before a fresh wave of unrest has spurred speculation that similar administrative steps may be repeated, to ensure (?) campus peace.

Many will agree that neither resignation of the teachers or the executives, nor the closure of the university is the right answer to the problem. Considering the fact that such recurrent trouble on the campus has cost the students about three-fourths of their study hours and that, even while they return to their classes they cannot be sure of continuing their studies uninterrupted by fresh irruptions, it is time to address the problem in its real depths. The nature of the trouble is known to all as well as the factors responsible for it. Coupled with a sense of incapacity and helplessness on the part of authority to deal effectively with them the situation becomes frustrating indeed. But this is a position which neither the students, nor the teachers, nor the administration can accept; nor can it be allowed to persist unremedied.

The larger national interest apart, the simple material loss incurred by students (and their guardians about eighty per cent of whom are from middle-income groups, waiting for their wards soon to begin earning and supporting the families, on account of courses of study not finished on schedule, examinations not held on time, results inordinately delayed—and employment opportunities lost is enormous. For a correct perspective, it is also necessary to note that over the whole period of the past 14 years the universities have been among the most shaken of the national sectors, and no sooner had a recovery cycle looked like completing itself around the middle of 1981 or so, than a repeat of the familiar campus unrest occurred threatening almost the same consequences.

Since the problem is a known one as well as the conditions accounting for it, it requires to be taken up by those whose authority matters in solving it. The simple facts explaining the repetition of this kind of trouble on the campus are : 1) student factions linked to various political parties are reportedly engaged in occasional violent confrontations creating a law and order situation; 2) the alleged inactivity of the law and order agencies at the place of occurrence lending an uncanny dimension to the situation; 3) an standoffish attitude on the part of the administration and the circumstantial incapacity of the local authority to curb or control the disorder. All this has to change, if we are serious about improving the campus atmosphere and keep education running.

A responsibility also devolves on student leadership : In the halls or at the university, students have to live and work together. Even if they have political objectives to push, in rallies or forums, i.e. until external political groups have taken their hands off them, they have every human and civil reason to be tolerant of their rivals,—groups or individuals. It should be noted, incidentally, that while two or more groups begin fighting each other, by far the largest remaining number of students have nothing to do with it, yet suffer the loss of studies and opportunities in life. We earnestly plead for peace to be made possible to return to the university through the initiative of the student leadership. Sometime in the past they have set examples of their being able to do so.

As for the administration, there can be one central way of reducing tension and its proneness to build on the campus : university or hall unions, reopened and allowed to be reinstalled by the student vote, are bound to direct student energy into democratic channels of vote and verdict by an intelligent electorate. Student leaders, then, having to cultivate the general students rather than looking up to external powers or parties, are expected to provide that atmosphere of peaceful corporate activity which a residential university must produce.

/9317

CSO: 4600/1393

BANGLADESH

ERSHAD SPEAKS ON SITUATION IN UNIVERSITIES

Dhaka THE BANGLADESH TIMES in English 15 Jan 86 pp 1, 8

[Text] Nazirpur (Pirojpur), Jan 14--President H.M. Ershad on Tuesday categorically said that the educational institutions have to be made free of all arms and hoodlums for ensuring a peaceful and congenial academic atmosphere conducive to unhindered pursuit of knowledge by the students, reports BSS.

Addressing a mammoth public meeting at the local College Maidan, the President said in order to maintain a congenial academic condition, the universities have to be kept aloof from all sorts of politicking. The responsibility towards this end equally rests on all the conscious citizens of the country, including the Vice-Chancellor and the professors.

He said at the same time the students organisations should limit their activities within the boundary of student's problems and educational questions.

The meeting was also addressed by Energy and Mineral Resources Minister Anwar Hossain, State Minister for Labour and Manpower Resources Mostafa Jamal Hyder and State Minister for Energy Sunil Gupta. The ZMLA, Zone 'E' Maj Gen Sadequr Rahman Chowdhury was present.

President Ershad said it was an irony of fact that there was no atmosphere for academic pursuits in country's educational institutions, including universities, since 1972. He said various unsocial activities including twisting of arms had not only vitiated the academic atmosphere, but also brought down the standard of education to a deplorable new low.

Referring to the observations of a section of political parties about the Naton Bangla Chhatra Samaj, President Ershad said this student body had never been in the past or at present a front organisation of any political party. The organisation was formed in March 1983 when there was no political party to support his programme and policies.

The President said this student organisation emerged for attaining four objectives which are: creation of proper academic atmosphere in the educational institution, creation of better teacher-student relationship, keeping the students above politics and participation of students in national development activities.

President Ershad said it is matter of satisfaction that many people including the teachers are today demanding flushing off arms from the education arena. He said the universities are autonomous bodies but the university authorities cannot deny their responsibilities about handing over the so-called student-miscreants and arms to the law-enforcing authorities. Similarly they have the duty to cooperate with the law-enforcing agencies to clear the universities of outsiders to ensure better academic atmosphere.

The President announced at the slogan chanting meeting for maintenance of an atmosphere conducive to pursuit of education in the educational institutions.

He called upon the Vice-Chancellors and respected teachers of the universities that if they really want to keep the universities free of arms and hoodlums then they should see to it that political leaders should not be allowed to make political speeches at the universities to misguide the tender-hearted students.

The President categorically said that nobody can be given a license to turn the educational institutions into political arena.

Earlier President Ershad addressed a function of Bhandaria Girls' High School at Bhandaria Upazila under Pirojpur. Speaking on the occasion, he stressed on emancipating the country's women from all forms of exploitation and subjugation and providing them with the opportunities of education.

/9317

CSO: 4600/1397

BANGLADESH

NAP FACTIONS, EKOTA MERGE TO FORM NEW PARTY

Dhaka THE BANGLADESH OBSERVER in English 29 Jan 86 pp 1, 8

[Text] National Awami Party (Harun), National Awami Party (Muzaffar) and Ekota Party have merged together under the banner of National Awami Party (NAP) at a special convention held at the Ramna Green on Tuesday with Peer Habibur Rahman in the chair.

NAP (Harun) and Ekota Party are splinter groups of NAP (Muzaffar). Though a major portion of NAP (Muzaffar) has joined the merger the party chief, Professor Muzaffar Ahmed, has kept himself aloof from it.

The inaugural session of the function was addressed by Chowdhury Harunur Rashid, Advocate Ismail Khan and Pankaj Bhattacharya.

Mr Pankaj Bhattacharya read out the political resolution of the merger of the three parties. A true patriotic party with dedicated workers for nation-building is absent in the country, the announcement said, and the merger would fill up such a vacuum it hoped.

The announcement also called the rally a procession was brought out in the city for forging a greater national unity with democratic, progressive parties and forces for the emancipation from the existing national crisis. "We have realised the importance of unity from experiences of disunity," it said.

The announcement further said that the party would protect the country's independence and sovereignty and fight for consolidation of national independence. The party would continue its relentless struggle for fundamental democratic rights, freedom of speech, right to religion, right to organise associations and ensure food, shelter, education, health care and employment, the political declaration said. The party would fight for necessary land reforms for increasing food production, growth of private sector industries side by side with public sector industries.

The party would march ahead to free the economy from the grip of capitalist forces, aid agencies and multi-nationals, it said. The law and order situation has deteriorated and forces opposed to stability and peace were turning indiscipline and violent under administrative support, it alleged.

The young generation is being demoralised under the influence of alien culture and repression on women has gone up, it said. Moral and social degradation has taken a very serious turn, it observed.

Sheikh Hasina, Mr Abdur Razzak, Mr Shahjahan Siraj, Mr Saifuddin Ahmed Manik, Mr Rashed Khan Menon, Dr Akhlakur Rahman, Mr Dilin Rarua, Mr Nurul Alam and Mr Nazrul Islam addressed the function as guest speakers.

Hasina Lauds Unity

Sheikh Hasina congratulating the unity of the three parties called for greater unity. This unity move will help us in our movement against Martial Law she hoped.

She proposed to the leaders of the party to consider. "If we can go back to political conditions prior to 1957, it may be recalled that National Awami Party was floated by Maulana Bhashani after breaking away from Awami League in 1957."

Sheikh Hasina called upon pro-liberation forces for building stronger movement. Sheikh Hasina said, "We believe in constitutional movement and we want to restore democracy through election if an atmosphere is created for the same." The ballot will determine the country's politics and not bullet, she asserted.

Mr Abdur Razzak called for consolidation of unity for the success of the movement.

Mr Shahjahan Siraj said, "If required, we will give more blood to remove Martial Law from the country."

CEC Formed

The convention elected Syed Altaf Hossain, Peer Habibur Rahman and Chowdhury Harunur Rashid as conveners. The convention also elected a 33-member Central Executive Committee of the party including three conveners.

The members of the Executive Committee are Advocate M. Ismail Sarder, Abdul Halim, Mr Pankaj Bhattacharya, Mr Suranjit Sen Gupta, Mr Zakir Ahmed, Mr Kamal Haider, Mr Ahmedur Rahman, Mr Saiful Islam, Mr Aziaul Islam, Mr Ali Haider Khan, Mr Nurul Islam, Mr Golam Arif Tipu, Mr Nirod Nag, Mrs Aziza Idris Principal, M. Shahjahan, Mr Iqbal Ahmed, Mr Ramesh Maitra, Mr M. Afzal, Mr Abdul Hamid, Mr Jahed Rumi, Mr Shafiul Alam Kazi A. Shahid, Mr Nurur Rasul, Mr Jahangir Alam Chowdhury, Mr A. Jalil Bhuiyan and Mr Shafiul Alam. The names of five others would be related later.

A meeting of the Central Executive Committee of the party will be held at 4 p.m. today (Wednesday) at 24 Tipu Sultan Road. The party also expressed solidarity with the movement programme of the Alliances.

/9317

CSO: 4600/1414

BANGLADESH

OFFICIALS PREDICT ELECTIONS TO BE HELD IN APRIL

Dhaka THE BANGLADESH OBSERVER in English 31 Jan 86 p 1

[Text]

The election is round the corner. Though no official announcement has been made the views expressed by the Ministers and the functionaries of the Government-backed Jatiya Party have strengthened speculations that the elections will be held in April.

The Secretary-General of the Jatiya Party Prof. M.A. Matin who is also the Works Minister said on two successive days recently that the elections would be held within the next hundred days and the Presidential announcement on this would soon follow.

Prof. Matin's revelation was backed by his cabinet colleague Mr. Moudud Ahmed at a public meeting held at Shibpur. Earlier the Dhaka correspondent of a US news agency quoting an unnamed Bangobhavan source had in a report said that the elections would be held for April.

All this goes to reflect government thinking on the elections. Now the big question is will the government make a unilateral announcement without prior consultation with the Opposition or the announcement will be delayed till such time an agreement is arrived at with the Opposition.

This question was extensively discussed at the Presidium meeting of the Jatiya Party recently. The Government decision is to restart a dialogue with the Opposition. Four ministers have been assigned to hold probing meetings with the

Opposition on the election issue. Some such parleys have taken place but Opposition stoutly denies holding of such meeting.

It is gathered from authoritative sources that the Government is willing to go back to pre-March first 1985 position but only on a firm assurance

that the Opposition would go to the hustings.

President Ershad in order to draw the Opposition to the election had abolished the Martial Law Courts, Martial Law offices except the offices of CMLA and DCMLAs ceased to exist, and the political members of the cabinet were dropped. The President also agreed to hold the parliamentary elections first.

Will the Opposition take part in reconciliation meeting? The tide unmistakably is in favour of the election. The Opposition's condition for joining the election is a neutral government. Will Opposition shift from its stiff stand?

But surveying the political scene around us it is difficult to avoid pessimism. The experience has not been happy in the past. One would feel tempted to say it would not be advisable to deflect thinking from where it ought to be directed. The primary concern for all should be establishment of a responsible representative government by ending Martial Law.

There is no disagreement on this issue but the Government and the Opposition differ on how to reach the destination.

/9317

CSO: 4600/1415

BANGLADESH

23 PARTIES WANT POLLS UNDER NEUTRAL GOVERNMENT

Dhaka THE BANGLADESH OBSERVER in English 31 Jan 86 p 1

[Text]

The 15-party alliance, the seven-party combine and the Jamaat-e-Islami Thursday brought out processions to press home their demands for election to the Parliament under "a neutral government", reports BSS.

Before the processions, both the two alliances and the Jamaat-e-Islami held their separate rallies at the Baltul Mukarram square and Gullistan area.

Addressing briefly the 15-party alliance rally at the Baltul Mukarram square in Dhaka Thursday afternoon, the Awami League chief, Sheikh Hasina Wajed reiterated her alliances demand for representative government in the country.

Sheikh Hasina also read out the declaration of the alliance in the rally which called upon the government to accept the 'five-point demand'.

The alliance declaration also extended their support to the demands of the students, professionals, workers, journalists and the lawyers.

Sheikh Hasina, who later led the procession of her alliance called for launching a 'greater movement'. Other leaders of the alliance also participated in the processions which started from the Baltul Mukarram area and ended at the Central Shaheed Minar.

The seven-party alliance brought out a procession that paraded the main city streets demanding democratic rights of the people.

Earlier a declaration was read out at the rally at Gullistan Avenue.

The alliance would announce its next programme of action from a national rally to be held on February 14 in Dhaka.

Thursday's rally was presided over by the BNP Secretary General Lt. Col. (Retd), Mostafizur Rahman and addressed by the alliance leaders messrs: K. M. Obaidur Rahman, Saifur Rahman, Abul Hasnat, Abul Kashem, Abdul Matin Chowdhury, Shamsul Arefin, Abdur Rob Chowdhury and Abu Zafar Chowdhury.

The declaration was read out by Miah Sadequr Rahman of UPI. The procession which began from Gullistan Avenue dispersed at Bahadur Shah Park at Sadar Ghat.

At a rally near Gullistan, the Acting Amir of Jamaat-e-Islam Mr. Abbas Ali Khan called upon the people to remain united for realising their demands. He also condemned moral degradation in the society.

The Jamaat leader appealed to all not to be misled by any provocation from any quarter.

/9317
CSO: 4600/1415

BANGLADESH

CORRESPONDENT WRITES ON 'PRESSURE' FROM WORLD BANK

Dhaka HOLIDAY in English 10 Jan 86 pp 1, 8

[Text]

Major policy reversals are now underway to accommodate fresh policy options of the World Bank in the middle of the current fiscal year.

The policy options are apparently designed to make Bangladesh a market for the industrialized countries, alleged concerned officials.

Despite vehement opposition from the industrialist's lobby both within and outside the administration, the government has decided to withdraw the restrictions on the imports of certain items and the subsidy on fertilizer and public food distribution system.

The major policy reversals have been approved midway into the on-going policy in line with the World Bank desires in order to avail the much-needed import programme credit (IPC-13).

The government has already issued orders to free ban on the imports of minor irrigation equipment other than shallow tubewells (STW) and low-lift pump engines.

These include various irrigation equipment including turbine pumps for import under the aid-financed projects.

It has also decided to withdraw restrictions on the import of vehicles under aid-financed projects. At present 80 percent of the required vehicles are allowed to be imported.

The subsidy on fertilizer amounting to about 60 crore takas is going to be abolished totally. A review meeting regarding further withdrawal of subsidies from the fertilizer sector will be held between Bangladesh and the World Bank shortly perhaps in April this year which will suggest a new action program to this effect.

The subsidy on the rationing system is expected to be abolished by 31st December next in order to accommodate the World Bank's views and a new action program will be designed by March next.

The conditionalities of the agreement will be identical with the agreements of the United States agency for International Development (USAID).

Earlier a Bangladesh delegation led by Dr. Shahadatullah, member of the Planning Commission concluded its visit to Washington and assured World Bank authorities about the withdrawal of the ban on irrigation equipment.

It was also agreed that the government would provide an administrative order or circular indicating that the current import ban on the items would not restrict such imports.

The ban was imposed to protect local industries and to clear the stocks of the Bangladesh Agricultural Development Corporation. The decision was taken on the basis of the recommendations by an expert-level committee formed to assess the necessity of imports of irrigation equipment by the government.

The committee recommended the banning of such imports as the local

industries have the capacity to produce and BADC has sufficient stocks to meet the domestic requirement.

The resident mission chief of the World Bank, Roger Rowe, in a letter to the finance adviser warned the government as to the possible consequences of this ban on imports and indicated that it would have a lingering effect on Bangladesh's relations with the World Bank.

He alleged that it was a gross violation of the agreement with the World Bank. The government had to finally succumb to the pressure of the World Bank and assured to send separate copies of Bangladesh's fresh commitment on these issues.

Though there is a provision for a 15 percent price preference for the local items in international tenders, neither the World Bank nor the Asian Development Bank is strictly following the principles.

They were supported by

the local indenting lobby. This lobby has been exerting pressure on the various agencies for policy reversals sometimes operating in cooperation with international donor agencies, according to a section of government officials.

Though the International Development Association has been operating as a soft loan affiliate of the World Bank, it has been using IPC as a useful instrument for influencing the economies of the developing countries.

Under IPC-13 Bangladesh will be provided by about 200 million US dollars equivalent to 600 crore takas for the import of essential commodities and industrial raw materials to finance the import program. In view of the depleting foreign exchange resources the import program has already suffered a setback during the first half of the current year.

After protracted negotiations with the World Bank, both in Washington and in Dhaka, the government has

finally agreed to send a development policy letter to the board of directors of the World Bank indicating its administrative decisions regarding World Bank's policy options by the first week of this month.

After the administrative order of the government the negotiated agreement would be presented before the World Bank board of directors by the end of this month.

The agreement will be signed after the approval of the board of Directors of the World Bank. The IPC credit will be released in two instalments. The first instalment, totalling 120 million US dollars, will be released after 60 days of the signing of the agreement and the rest will be released by 31st August in the next fiscal year.

The IDA will deposit 25 million dollars in advance to bear the import cost while another 20 million dollars will be given as retrospective financing to the government, it is learnt.

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CSO: 4600/1418

18 March 1986

BANGLADESH

PRESS RELEASE ISSUED ON CHOWDHURY'S SRI LANKA VISIT

Dhaka THE NEW NATION in English 16 Jan 86 pp 1, 8

[Text]

Bangladesh and Sri Lanka yesterday expressed deep concern at the growing super power rivalry in the Indian Ocean, reports BSS.

A joint press release issued at the end of a three-day visit to Colombo by Bangladesh Foreign Minister Humayun Rasheed Chowdhury at the invitation of his Sri Lankan counterpart ACS Hameed expressed the two sides' agreement to continue their close cooperation to ensure the convening of the proposed UN conference in Colombo on the Indian Ocean as soon as possible as the first step to declare the Indian Ocean as a zone of peace.

The press release issued by the Foreign Office in Dhaka said the two Foreign Ministers held discussions on wide ranging subjects covering bilateral, regional and international issues in an atmosphere of friendship, cordiality and complete understanding. They reviewed the entire gamut of bilateral relations including performance under the existing bilateral agreements covering economic, trade, shipping services, technical, educational and cultural relations.

They agreed that there was 'enough scope' to broaden bilateral relations in trade and for holding urgently a meeting of the Bangladesh-Sri Lanka joint committee on trade which met last in 1982, to find ways and means to develop trade relations between the two countries.

The two Foreign Ministers underscored 'expeditious implementation' of the decisions of the joint committee meeting of February 1985.

They expressed the need for regular meetings at their level, at frequent intervals, to review progress in bilateral cooperation, and to exchange views on matters of common interest.

Mr Hameed briefed Mr Chowdhury on the developments in regard to the ethnic problems in Sri Lanka and they viewed it as an internal problem of Sri Lanka. Mr. Chowdhury reiterated Bangladesh's full support to Sri Lanka's integrity and sovereignty and hoped that the problem would soon be resolved to the acceptance of all parties.

President Jayewardene received the Bangladesh Foreign Minister.

The Sri Lankan Foreign Minister thanked Bangladesh for its interest and cooperation to Sri Lanka at the Indian Ocean maritime affairs cooperation conference.

The two Foreign Ministers expressed great satisfaction at the successful outcome of the first SAARC summit meeting and the formal launching of the forum for regional cooperation in South Asia.

They hoped that SAARC would usher in a new era of peace, stability and progress in the region. They emphasised the importance of concerting

their efforts to sustain the momentum of the process of cooperation in South Asia.

Reviewing the international situation, the two Foreign Ministers expressed 'grave concern' at the worsening international situation which had endangered peace and security in the world.

They underscored that a durable peace in West Asia could be achieved only on the basis of total and unconditional Israeli withdrawal from all occupied Arab territories including Jerusalem and realization of the legitimate and inalienable rights of the Palestinian people including their right to have an independent state in their homeland, under the leadership of PLO, the sole and legitimate representatives of the Palestinians.

They called for withdrawal of foreign troops from Afghanistan and Kampuchea to let the two peoples decide their own future.

The two Foreign Ministers expressed anguish at the continuing Iran-Iraq war and appealed to the two sides for an immediate cessation of hostilities.

They condemned the policy of racism and colonialism pursued by South Africa. They reiterated support to the UN initiative for Namibian independence.

Mr Hameed accepted an invitation of Mr Chowdhury to visit Bangladesh.

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CSO: 4600/1409

BANGLADESH

ASIAN DEVELOPMENT BANK GRANTS LOAN FOR RURAL INDUSTRIES

Dhaka THE BANGLADESH OBSERVER in English 24 Jan 86 pp 1, 10

[Text] The Government has negotiated a loan agreement with Asian Development Bank styled "Rural and Agrobased Industries Credit Project." The total size of the loan amount is SDR 18,560 million (US dollar 20 million), according to an official handout on Thursday, reports BSS.

Agrani Bank and Rupali Bank will act as executing agencies.

The proposed loan envisages encouraging and promoting private sector investments in small and non-agrobased rural enterprises. Sub-sectors to be financed under the proposed ADB Loan include tobacco, fruits and vegetables processing, dairies and poultry enterprises, leather products, fish processing, agricultural equipment, service engineering workshops and other non-agrobased rural industries, the handout said.

The proceeds of the loan will be used to finance the reasonable foreign currency cost of goods and services required for the project. The total capital outlay per project under this loan would not exceed equivalent of US dollar 100 million out of which foreign exchange component should not exceed US dollar 0.40 million. The loan is repayable in 10 years including a maximum grace period of 3 years.

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CSO: 4600/1406

BANGLADESH

COOPERATION, ASSISTANCE PACTS SIGNED WITH CANADA

Dhaka THE BANGLADESH OBSERVER in English 24 Jan 86 pp 1, 10

[Text] Bangladesh and Canada on Thursday signed two agreements--a Development Cooperation Agreement (DCA) to strengthen economic relations and a Memorandum Of Understanding (MOU) for Canadian assistance for the second gas development project.

Under the Memorandum of Understanding Canada will provide as a co-financier an amount of Taka 107 crore (48.4 million Canadian dollar) for the second gas development project of Bangladesh.

The Canadian assistance will be utilised for drilling of nine new wells, the work over of two existing wells reservoir studies of the main gas fields and training programme for reservoir engineers and drillers.

According to the External Resources Division, the project will cost a total amount of Taka 641 crore (207 million US dollar) with foreign exchange component of Taka 514 crore (186 million dollar).

Other prospective co-financiers are the Netherlands OECF and Australia, ERD said.

The development Co-operation Agreement (DCA) is aimed at strengthening economic relations between the two countries and developing bilateral cooperation consistent with objectives and priorities of the government of Bangladesh.

The ERD source said under this general agreement (DCA) the two governments will conclude, from time to time subsidiary agreements or loan agreements in respect of any agreed specific projects or programmes.

Both the agreements were signed by the Secretary External Resources Division, Mr M.K. Anwar and the Canadian High Commissioner in Bangladesh, Mr Anthony G. Vincent, on behalf of their respective governments.

After the signing of the agreements the representatives of Canadian and Bangladesh governments met for third consultations during which development projects were reviewed.

The Bangladesh delegation was led by the Joint Secretary of ERD Mr Akhter Ali while the Canadian side was headed by Mr Peter Dawson, Bangladesh Country Programme Director for the Canadian International Development Agency (CIDA) in Ottawa.

BANGLADESH

REPORT ON FOREIGN MINISTER'S 30 JAN NEWS CONFERENCE

Dhaka THE BANGLADESH TIMES in English 31 Jan 86 pp 1, 8

[Text] Experts of seven South Asian Association for Regional Cooperation (SAARC) countries on terrorism and narcotics are expected to meet in Dhaka by first week of March.

This was stated by Foreign Minister Humayun Fasheed Choudhury to newsmen on Thursday. The experts of the seven SAARC countries would define terrorism with its scope and extent and submit their report for the examination by the Foreign Ministers.

In reply to a question relating to India's capability of building nuclear bombs in good number as reported in newspapers, the Foreign Minister said that as a signatory to the nuclear Non-proliferation Treaty, Bangladesh was against development of weapons of mass destruction.

He, however, refrained from commenting on the news item relating to India's acquisition of atomic heavy water.

Mr Humayun Rasheed Choudhury said that all efforts from all organisations and quarters should continue to bring about an end to Iran-Iraq war.

The Foreign Minister was asked to comment on a report in a newspaper relating to a proposal to abolish Islamic Peace Committee on Iran-Iraq War. It was just an opinion of the Malaysian Foreign Minister. The question of abolition was not even formally discussed, he said.

Mr Choudhury said "we must not give up hope about the end of this war" and expressed the hope that it should be sooner than later.

In reply to another question, the Foreign Minister said that the Islamic Peace Committee was created by the Islamic summit and it was only the summit which could discuss and take decision on its abolition.

The Foreign Minister said that following the failure of President Zawara, Malaysian Prime Minister Dr Mohathir Mohammad had been entrusted with the responsibility of establishing contact with both Iran and Iraq in this regard.

Mr Choudhury told another questioner that frustration did not mean giving up hope.

Another report adds: Foreign Minister on Thursday said that he had no information about any Libyan activities against the Bangladesh Government.

Answering questions at a press conference the Foreign Minister described the relations between Bangladesh and Libya as "good." He said hundreds of Bangladeshis were working in Libya.

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CSO: 4600/1416

BANGLADESH

DHAKA, DELHI SIGN 'AGREED MINUTES' ON TWO CREDITS

Dhaka THE BANGLADESH TIMES in English 31 Jan 86 pp 1, 8

[Text] Bangladesh and India on Thursday signed an 'agreed minutes' to make periodic review in matters of speedy utilization of two credits amounting to 600 million Indian rupees extended by New Delhi to Dhaka, reports BSS.

According to a press release of the External Resources Division (ERD), the two credits--400 million rupees credit from Exim Bank of India and 200 million rupees Indian state credit are designed for utilisation by different agencies in Bangladesh for the import of industrial machinery and equipment both in public and private sectors.

The agreed minutes followed detailed discussions between the visiting Indian and Bangladesh delegations to the committee on Economic and Financial Matters under the India-Bangladesh Joint Economic Commission. The two sides agreed to expand cooperation between them in the fields of banking and insurance, the press release said.

The Indian delegation comprising senior officials of the Ministry of Finance, Reserve Bank of India and Export-Import Bank (Exim Bank) arrived here January 28. Besides holding discussions with their Bangladeshi counterparts they also called on secretary ERD and Governor, Bangladesh Bank.

The agreed minutes was signed by Mr Abdus Samad, section chief, ERD, Ministry of Finance and Mr V.K. Sibal, Joint Secretary, Department of Economic Affairs, Ministry of Finance, government of India, on behalf of their respective sides.

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CSO: 4600/1416

BANGLADESH

INDIANS SAID TO OBSTRUCT BORDER DEMARCATION SURVEY

Dhaka THE NEW NATION in English 2 Feb 86 p. 1

[Text]

RANGPUR, Feb 1: A fresh move to conduct a joint survey for demarcation of the Tin Bigha corridor, duly agreed upon by the authorities of both Bangladesh and India, has been thwarted by Indian citizens apparently enjoying official patronage.

According to information received here, a four-member Bangladesh survey team went to Tin Bigha to carry out a joint survey with an Indian team on January 28. The Bangladesh authorities earlier obtained transit permit for the survey team from the Indian government and accordingly the team proceeded to Tin Bigha and met with Indian survey officials there. But before they could start survey work for demarcation of passage on Tin Bigha to Link Dahgaram-Angorpota enclaves with Bangladesh mainland, a violent Indian mob aided by Indian Border Security Force (BSF) attacked the Bangladesh team, hurled brick bats on them and ultimately pushed them back to Bangladesh mainland.

It is alleged that the Indian authorities did not take sufficient security measures for smooth holding of the joint survey work. Moreover, a handful of BSF men present there made no effort to resist the attackers.

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CSO: 4600/1420

BANGLADESH

PAPERS REPORT ON PROBLEMS WITH GANGES WATERS

Flow Reduction Threatens

Dhaka THE BANGLADESH OBSERVER in English 12 Jan 86 p 1

[Text]

KUSHTIA, Jan. 11:--The Ganges at Hardinge Bridge has marked a drastic fall over the past few weeks. The water level stood at 25.09 feet on January 8, according to information available from Water Development Board in Kushtia.

The Goral water level stands at 16.50 feet at Goral railway bridge and 20 feet in the G.K. Ghat. The total discharge in the Ganges now stands at 3,458.00 cusecs per second.

The WDB source said the Ganges is falling by 6 inches regularly and if such a rate of fall continues till irrigation begins in February for first kharif, a vast tract of land comprising 90,000 acres would be without irrigation. It will cause

a colossal damage to crops, threatening the whole economy of the country in general and the G.K. project in particular. The alarming fall in the water level has been attributed by an authoritative source to the diversion of the Ganges water through Farakka by India.

When I visited the Ganges at Hardinge Bridge, I saw vast 'char' areas formed as a result of a large-scale withdrawal of the Ganges waters. The fall in the Ganges waters has caused heavy siltation in the mouth of the intake channel of the main mump house of the Ganges-Kobadakh project. The dump house might face closure if the situation continues to worsen. The drop in the Ganges level

has also affected the riverine communication system. The ferry service between Bheramara and Paksey is awaiting disruption following continuous change of site. The river Goral is also drying up as a result of insufficient discharge in the Ganges.

It may be mentioned here that the Ganges-Kobadakh project which is aimed at covering 3,50,000 acres on completion of the project by 1990 depends entirely on the Ganges and the Goral for regular supply of irrigation water. Experts feel that unless there is a settlement of water distribution between India and Bangladesh the whole project might face a total disaster.

Letter from Former Minister

Dhaka THE BANGLADESH OBSERVER in English 28 Jan 86 p 12

[Text] New Delhi, Jan 27--Bangladesh's former Water Resources Minister, B.M. Abbas A.T. has stressed the need for exploiting the truly enormous potential of the Ganges river system through genuine and active cooperation among the three co-basin countries, Nepal, India and Bangladesh, reports BSS.

The first step in the cooperative development of the Ganges basin may be the setting up of a joint committee comprising the highest technical experts from Nepal, India and Bangladesh, one from each country, Mr Abbas proposed in a letter published in the Indian Express newspaper Friday.

Mr Abbas also an author of a book, the Ganges Water Dispute, called upon the three countries to discuss the matter urgently at the ministerial level so that a joint programme of work can be taken up for the development of the water resources of the Ganga basin.

In his long letter dated Dhaka January 6, Mr Abbas suggested that the proposed joint committee could act as a coordinating body for the comprehensive development of the water and other related resources of the Ganga basin.

The joint committee will provide a forum for consultation among member governments on a continuing basis, Mr Abbas said, adding and serve as a useful vehicle for joint development of a basin wise information system regional planning and training.

Giving justification of his proposal, Mr Abbas said that only an integrated development of a river basin can provide equitable distribution of its water resources to the countries sharing the basin and solve the problems of floods and droughts.

This, he said, can also foster peace and stability in the region.

By bringing together the three countries in a common programme of development it can create good relations between them by providing better understanding and greater awareness of each other's national concerns and imperatives, he added.

Mr Abbas pointed out that millions of people living in the Ganges basin depended on water for their livelihood. They need inexpensive power for industries and irrigation facilities for increased food production and security from recurring floods and droughts, he added.

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CSO: 4600/1395

BANGLADESH

NEW MEASURES PROPOSED TO ENCOURAGE INVESTMENT

Dhaka THE BANGLADESH OBSERVER in English 15 Jan 86 pp 1, 8

[Text]

Private industrial investments upto Taka ten million for setting up new units and also for balancing, modernisation and replacement (BMR) of existing ones will be income tax free. The source of finance will not be sought for such investments. This move is intended to mop up black money for productive industrial investments in the economy.

The Ministry of Industries has proposed the new measure as an incentive to boost private investments under the coming Industrial Policy. A number of other fiscal incentives will also be included in the policy which is expected to be announced by the end of this month.

The new framework of incentives has already been endorsed by the Ministry of Industries. The Ministry is now awaiting the comments of different chambers of commerce and industry on the policy.

Industrial incentives for all areas.

The Ministry of Industries has also proposed for a tax holiday of four years for industries, to be set up in developed areas, six years for less developed areas and nine years for least developed areas. This time-frame will be calculated from the date the industrial unit goes into production.

Foreign exchange for least developed areas

For least developed areas, credit, subject to availability of funds, will be provided in cash foreign exchange (at official rate of exchange) for import of capital machinery for industrial units. Income tax rebate will be allowed upto 30 per cent, 10 per cent and five per cent of profits for reinvestments in developed, less developed and least developed areas respectively.

The policy has also proposed that the developed areas will be entitled to an investment allowance of 20 per cent for determination of tax. This rate for less developed and least developed areas will stand at 25 per cent and 30 per cent respectively.

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CSO: 4600/1409

BANGLADESH

JUTE EXPORT STATISTICS FOR LAST HALF 1985

Dhaka THE BANGLADESH TIMES in English 13 Jan 86 pp 1, 8

[Text] Bangladesh earned Tk 700 crore 29 lakh in foreign currency by exporting raw jute and jute goods from July to December last year, says a Government handout, reports BSS.

The target of export earning during the current season is Taka 1060 crore.

During the corresponding period in 1984, total export earning was Taka 739 crore out of which Tk 533 crore was earned by jute goods and the remaining by raw jute. In 1983, total export earning was Taka 489 crore out of which Taka 361 crore was earned by jute goods and the rest by raw jute, added the handout.

From July to December last year, over 19 lakh bales of raw jute and about 4 lakh tones of jute goods had been registered for export out of which over 9 lakh bales of raw jute and about three lakh tons of jute goods were shipped. During the corresponding period in 1984, over 16 lakh bales of raw jute and 2 lakh 58 thousand tons of jute goods had been registered for export while 8 lakh 56 thousand bales of raw jute and about 3 lakh tons of jute goods were shipped.

The jute purchasing agencies both in the public and private sectors purchased about 73 lakh bales of raw jute during July to December last year. Out of this, Bangladesh Jute Corporation purchased 22 lakh 38 thousand bales, Bangladesh Jute Mills Corporation 20 lakh 47 thousand bales while the private mills, traders and balers purchased about 30 lakh bales, said the handout.

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CSO: 4600/1409

BANGLADESH

OFFICIAL REPORTS RECORD PRODUCTION OF JUTE SEEDS

Dhaka THE BANGLADESH TIMES in English 27 Jan 86 p 2

[Text]

MANIKGANJ, Jan. 26: A total of 3,010 metric tons of jute seeds have been produced in the country during the current season, said an official source in Dhaka.

The achievement was made in six zones of the country where Bangladesh Jute Seed Research Institute extended its assistance through 16 circle Jute Seed Inspectors and 120 Jute Seed Inspectors. The assistance was given to 30,000 jute seed farmers of Dhaka, Mymensingh, Bogra, Kushtia, Jessore and Rajshahi.

The source further said that the government had earlier sanctioned Taka 3.50 crore to purchase the jute seeds from the farmers through 120 purchasing centres. All the centres received Taka 1.60 crore to purchase the seed as first instalment, in mid-December last. After purchase of jute seed for the first instalment, the Jute Seed Inspectors submitted prayers to the government for further fund as second instalment. The inspectors and others high ranking officers of the department told the government that the target was achieved and the farmers were ready to sell their entire stocks and about 1,600 metric tons of jute seed still remained unsold in the field and the farmers are creating pressure to the staffs.

NO PURCHASE BY GOVT.

The official source further alleged that the authority has stopped the purchase of jute seeds for want of fund and all holding changes of purchasing centres have been instructed accordingly. Meanwhile, the jute seed farmers of the area are creating serious trouble and at this, the officials are passing their days in agony.

PEASANTS RALLY

The speakers at a peasants rally at Manikganj Devendra College auditorium said that 90 per cent people will participate in the next national election to establish peasants government in the country.

The rally was organised by Bangladesh Landless Association on the occasion of its holding first district conference. Presided over by Mr. Ekhlash Uddin the rally was addressed among others, by the central leaders of the Association.

The leaders told the rally that the Association has already formed landless associations in all the 68,000 villages in the country.

Messrs Iqbal Hossain, Kamrul Huda Selim, Awlad Hossain Abdul Hye, A. Khalek, Delwar Hossain and A. K. G. Abdul Baqi, Secretary General of Bangladesh Landless Association spoke at the rally.

BANGLADESH

PAPER REPORTS LOSS IN JUTE MILLS DUE TO STRIKE

Dhaka HOLIDAY in English 31 Jan 86 p 3

[Text]

Following the workers' strike in 43 out of 67 jute mills in the country since December 28 last year only the public sector jute industry has incurred a total production loss of 80 crore takas up to the end of last week.

Due to the strike loom operations in BJMC jute mills showed a shortfall of 34 percent while weaving production during the same period incurred a shortfall by 67 percent against the budgeted, it is learnt.

Until January 30 there was no sign of improvement in this abnormal situation.

According to the latest information available, out of the total 15,808 installed looms under the BJMC mills, only 4,000 looms are running, which is 26 percent of the total installed looms and 27 percent of the budgeted looms for 1985-86.

Adamjee Jute Mills, Although it was kept open partially by the efforts of the management, yet production there was seriously affected.

The daily production of the mill which was 350 tons during the July-November period, has tumbled to 92 tons officially. Unofficial sources claim that the actual daily production in that mill does not go over 25 tons.

The average per day weaving production in all the BJMC mills was about 1000 tons during the July-November period, whereas the actual weaving production during the strike period stood at 325 tons, indicating a daily shortfall of about 675 tons.

In the same period the mills in Dhaka zone which did not take part in the strike increased their production by 10 percent. Therefore the actual shortfall was calculated at 67 percent or about one and a half crore taka per day.

It may be recalled that during the first five months of the current fiscal year total production loss of the BJMC jute mills was esti-

mated at Tk. 70 crore. One month's loss of production during the strike period has, however, crossed the figure by about 28 percent.

According to a BJMC working paper, apart from production loss, many of the striking jute mills are facing other problems. A huge quantity of raw jute which normally remains in piles now face deterioration because of long storage. The materials under process in different stages are also drying up due to long exposure.

It is also apprehended that the machinery of the mills, due to lack of periodical lubrication and cleaning due to the strike, will be unsuitable for immediate operation as the rollers and accompanying parts will have rusted, the BJMC working paper said.

The working paper revealed that in the present situation, even on re-opening of the mills after the strike, work will be seriously affected for about four weeks.

/9317
CSO: 4600/1417

BANGLADESH

BRIEFS

JATIYA KRISHAK EXECUTIVE--A 66-member Executive Committee of Jatiya Krishak Party, a front organisation of Jatiya Party, was formed with Kazi Zafar Ahmed as President and Mr Moynuddin Bhuiyan as General Secretary, according to a Press release on Wednesday. An elderly politician Haji Mohammed Danesh was elected Adviser to the Krishak Party, the Press release said. [Text] [Dhaka THE BANGLADESH TIMES in English 6 Feb 86 p 1] /9317

JUTE TO PAKISTAN--Bangladesh Jute Corporation has signed a contract with Pakistan for the export of another 10900 metric tonnes (60550 bales) of raw jute, reports BSS. Earlier, Bangladesh Jute Corporation has sold 19600 metric tonnes (108880 bales) of raw jute to Pakistan in two phases. With this the total sale of raw jute to Pakistan this season stands at 30500 tonnes (169430 bales) or raw jute valued at taka 20 crore according to an official handout. [Text] [Dhaka THE BANGLADESH TIMES in English 2 Feb 86 p 1] /9317

DEATH OF AMBASSADOR--Bangladesh Ambassador in France, Maj Gen Abdur Rahman, aged 48, died in Paris on Tuesday, the Foreign Affairs Ministry announced in Dhaka on Tuesday night, reports BSS. The Ministry, announcing with deepest regret the death of Maj Gen Abdur Rahman, said Gen Rahman died of cardiac failure early in the morning. Maj General Muhammad Abdur Rahman psc, son of late Alhaj Abdul Quddus, was born on November 30, 1936 in Noakhali. He passed his Matriculation examination from Faridpur Zila School in 1952 and Intermediate Science examination from Dhaka College in 1954. He joined Pakistan Military Academy at Kakul in 1957 and got his commission in the Corps. [Excerpt] [Dhaka THE BANGLADESH TIMES in English 29 Jan 86 pp 1, 8] /9317

TRADE UNION ACTIVITIES--The Government has lifted the ban on trade union activities in the country from January 1, an official handout said in Dhaka on Saturday, reports BSS. [Text] [Dhaka THE BANGLADESH TIMES in English 26 Jan 86 p 1] /9317

HALF-YEAR EXPORT STATISTICS--Bangladesh earned Taka 1303.50 crore from export during the first six months of the current financial year as against Taka 1200.88 crore during the corresponding period last year, an official source told ENA on Friday. The export earning during this period shows an increase of 8.55 percent over the corresponding period last year.

The export performance of the last six months has so far achieved 49.10 percent of the total target of Taka 2655 crore set for the current fiscal year. Of the total amount earned from export, Taka 672.95 crore was earned from the jute sector while Taka 630.55 crore from the non-jute sector. The source said of the overall performance in the export, non-traditional items have contributed a good deal by earning Taka 576.31 crore as against Taka 375.33 crore during the corresponding period last year. Among the non-traditional items, frozen foods earned an amount of Taka 192.68 crore as against 126.41 crore, vegetables Taka 18.92 crore against 4.36 crore and the readymade garments Taka 184.64 crore against Taka 93.39 crore compared with the corresponding period last year. [Text] [Dhaka THE BANGLADESH TIMES in English 25 Jan 86 p 3] /9317

NEW STUDENT ORGANIZATION--Jatiya Chhatra Samaj, a new student organisation has emerged merging Natun Bagla Chhatra Samaj and three components of Jatiya Chhatra Front, namely, Jatiyatabadi Chhatra Dal, Biplobi Chhatra Maitri and Biplobi Chhatra Union. A convening committee with Mr Rafiqul Huq Hafiz as convener and ten joint conveners are Sheikh Sirajul Islam, Fakir Abul Kalam Azad, Sajjad Hossain, Shah Ahmed Badal, Ashraf Girani, Mirza Amin Ahmed Yan, Mohammad Noman, Shahjahan Saju, Iqbal Hossain Raju and Sirajuddin Ahmed. Names of the members of a 16-man steering committee of Jatiya Chhatra Samaj will be announced later. The new student organisation is based in following four basic principles: 1. To maintain congenial academic atmosphere in all educational institutions; 2. To uphold students as the conscience of nation and not to act as tail of any party politics; 3. To foster better student-teacher relationship; 4. To engage student community in nation-building activities. Jatiya Chhatra Samaj will not act as wing of any political party. [Text] [Dhaka THE BANGLADESH TIMES in English 25 Jan 86 p 1] /9317

ENVOY TO SRI LANKA--The Government has decided to appoint A.S. Noor Mohammad as Bangladesh High Commissioner to Sri Lanka, a Foreign Office announcement said on Wednesday, reports BSS. Born on March 1, 1930, Mr Mohammad graduated with honours in History in 1949 from the University of Dhaka. He entered Civil Service of Pakistan in 1954 and received training at Lahore Civil Service Academy (Pakistan) in England under Colombo Plan Programme at University of Southern California (USA) and at the Royal College of Defence Studies (London). Mr Noor Mohammad was the first principal of Bangladesh Administrative Staff College and was Secretary to the President since 1978. He is married and his two daughters and two sons are well settled. [Text] [Dhaka THE BANGLADESH OBSERVER in English 6 Feb 86 p 3] /9317

PEOPLE'S PARTY EXECUTIVE--The United Peoples Party (Arefin) was reorganised in the three-day extended meeting of the National Committee held in its office at Asad Avenue with advocate Ulfat Ghani Chowdhury in the chair on Friday. A 39-member executive committee with Mr Shamsul Arefin Khan and Mr M.A. Hasan Mintoo as Chairman and General Secretary, respectively, was elected in the meeting. Besides a 91-member National Committee was also reorganised in the meeting. [Text] [Dhaka THE BANGLADESH OBSERVER in English 2 Feb 86 p 8] /9317

JANADAL EXECUTIVES--Former Minister Mr M.A. Huq and Mr Abdul Matin Chowdhury have been made Acting Chairman and Secretary General, respectively of the Janadal. The adjourned meeting of the Central Committee of the Janadal held on Saturday elected Mr M.A. Hai, Mr Golam Mortuza, Mr Misir Ahmed and Mr Lutfur Rahman as Vice Chairmen, Mr Sayeed Tareq as Joint Secretary General, Khondokar Sirajul Islam and Advocate Md Ali as Organising Secretaries, Mr Mahmud Hasan as Secretary for International Affairs and Mr Faijun Kabir as Secretary for Law Affairs. [Text]
[Dhaka THE BANGLADESH OBSERVER in English 2 Feb 86 p 8/ /9317]

WORKERS PARTY LEADERS--The four-day third congress of Bangladesh Workers Party ended yesterday with the election of a 17-member central committee of the party. An eight-member presidium was also formed and Mr Nazrul Islam was elected General Secretary of the party. Members of the presidium are Amal Sen, Nasim Ali, Abdus Sattar, Mahmudul Hasan Manik, Shamsul Huda, Shafiuddin Ahmed and Mizanur Rahman. They are also members of the central committee. The other members of the committee are Hafizur Rahman Asit Bhattacharja, Sisanta Das, Chowdhury Giasuddin, Sirajul Islam, Sohrab Hussain, Enamul Haque Emran, Sheikh Hafizur Rahman and Mir Delwar Hussain. [Text] [Dhaka THE BANGLADESH OBSERVER in English 4 Feb 86 p 8] /9317

CSO: 4600/1422

IRAN

OPPOSITION PAPER COMMENTS ON REGIME'S DEALINGS WITH SWEDEN

GF191428 London KEYHAN in Persian 13 Feb 86 p 3

/Article by Noor Mohammad 'Askari, KEYHAN News Service/

/Excerpt/ Stockholm--the Islamic Republic has placed orders with Sweden for the supply of remote control detonators which are used mostly in bombs, sabotage operations, and explosions. Talks in this respect are also going on between officials of the Tehran regime and the Belgium Government. Prior to these talks, some 2 months ago a Swedish economic delegation visited Tehran to discuss implementation of a 1985 economic agreement and to hold talks on difficulties which had cropped up in connection with the export of Swedish arms to Iran. However, the most important point was the problem of Iran not being able to implement the terms of the agreement during the last 6 months of 1985, and the inability to pay what it owes Sweden on time. Following this meeting a representative of the Iranian regime visited Sweden for 1 week and held talks with various Swedish economic officials. He also held talks in connection with the draft agreement for 1986 as well as other matters. Later he went to Denmark. Although the Swedish economic officials and the Islamic republic tried their best to keep these activities and talks secret, they could not keep secret the fact that the Iranian delegation had carried with it proposals for the 1986 agreement which included:

The purchase of 1 million tons of wheat. This item was at the top of all the proposals for 1986. Although Iran has purchased wheat from Sweden for the past 2 years, this year this item was the most important one and the quantity to be purchased was also more than 1 million tons. The other items of purchase were: various spare parts, machine tools, paper, dyeing material, remote control detonators, weapons, automobiles, and trucks. The Islamic Republic had proposed to pay for the above items in crude oil at \$18 per barrel. However, when the proposal was made it was understood that the Danish and Swedish tankers would take the oil from Khark. Although at that time Khark installations were still operational, the Swedish merchants and companies did not accept this for several reasons:

1. Sweden and Denmark were not prepared to send their tankers to Khark; they asked that the oil be loaded at the Sairi island.

2. Neither Sweden nor Denmark were prepared to sell their merchandise against \$18 per barrel of oil. They wanted some reduction in the price.

3. The Iranian Government was requested to make arrangements so that Swedish merchants would receive payment as and when demanded. The reason is that Swedish oil dealers have no experience in the international market. In the past they dealt in oil on the open market through British middlemen. Toward the end of 1985 British dealers several times withheld payment to Swedish merchants because they said that in view of the situation in Iran they could not take delivery of oil on due dates.

Some Iranian regime representatives of lower status also have visited Sweden. They held talks with Swedish economic officials with their pockets full of cash and more acceptable terms. This second delegation wanted Sweden to invest in Iran and also to participate jointly in some factories and industrial projects. These included participation in Iran by Swedish companies dealing in electronics, dyes, and chemicals. As far as the question of investment is concerned, the talks were progressing well but when the Iranian side proposed that Swedish companies set up their units in Iran to manufacture such items, the Swedish companies balked. The talks are still going on and it seems that the Iranian side will show more flexibility.

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CSO: 4640/201

IRAN

MONTAZERI MEETS WITH LEBANESE CLERGYMEN

GF150607 Tehran Domestic Service in Persian 0330 GMT 15 Feb 86

/Excerpts/ Hujjaj ul-Islam Sayy'id Muhammad Fadlallah and Shaykh Muhammad Mahdi Shams al-Din of the combatant Lebanese clergy met His Eminence Ayatollah Montazeri yesterday and discussed the Lebanese situation and the resurgence of the Islamic movement in that country.

While hailing the struggle of the Muslim Lebanese nation and the clergymen of that country, he alluded to the importance and international significance of the country of Lebanon and the need to foster greater unity and homogeneity between the 'ulema and the combatant Lebanese clergy, including Sunnis and Shi'ites. He said: God has created different kinds of human beings. Each individual evolves his own personal philosophy, but this does not imply that they should follow only its dictates and ignore the need for solidarity and unanimity in certain issues. Hence these sensitive circumstances, which are a concomitant of the Islamic movement and the establishment of a government based on Islam and the Koran, demand bringing the positive qualities and capabilities of all individuals, regardless of their party or group affiliations, and to be mobilized for the progress of the movement and the revolution. If we condemn one person for having committed an aberration in the past, to expel him from the scene and isolate him is completely erroneous. None of us are infallible.

Referring to the danger of the Zionist elements in Lebanon and the heroism of the sincere Muslim Lebanese and Palestinian youths, Ayatollah Montazeri said: These self-sacrificing heroic youths were who had shattered the legend of the United States and Israel and other usurpist powers in Lebanon and had forced them to flee.

His Eminence Ayatollah Montazeri paid tribute to the Lebanese and Palestinian martyrs and Shaykh Raghīb-Harb and (Aqavi) who had been recently martyred in Tripoli by mercenary elements. He said: These martyrs were a nation in themselves. Their hallowed blood will blaze a trail for the forward thrust of the Islamic movement.

Ayatollah Montazeri asked clergymen Sayyid Fadlallah and Shams al-Din to visit the families of the martyrs, in particular those of Raghīb-Harb and (?Aqavi), and to convey his greetings and sympathies to them.

Ayatollah Montazeri then spoke on the international significance of the Islamic revolution and the threat that the revolution created for the interests of the enemies of Islam in the world. He stressed: As in the days of the advent of Islam, some were not able to be availed of the blessings of this divine revolution, the divine blessing of Islam, and the leadership of the prophet of Islam. They lapsed into misguided ways and deviated from the right path and fell into disgrace and humiliation. There are many such individuals, as well as heads of Muslims who are ostensibly Muslims and profess to be Muslims and who possess vast moral and material resources. However, instead of partaking of the effulgence and glory of the Islamic revolution for themselves and their countries they have fallen into the traps of the West or East. They have invited infernal misfortune upon themselves for their interests or cruelty.

Concerning the imposed war, he emphasized: Our motive is to defend Islam and the revolution and to ward off the curse of the infidel and aggressor Saddam. For us land and water have never been important. We do not covet even an inch of Iraqi soil and we do not need it. We seek the elimination of the mischiefmonger and the aggression of the warmongering and tyrannical Saddam regime. We have no other recourse but to resort to an advance in the war and the deliverance of the Muslim Iraqi nation.

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CSO: 4640/204

IRAN

TEHRAN CLAIMS UN FAVORS IRAQI REGIME NOT TRUTH, JUSTICE

LD181352 Tehran Domestic Service in Persian 1108 GMT 18 Feb 86

/Unattributed commentary entitled: "Continuation of the Val-Fajr Operations"/

/Excerpts/ The Val-Fajr-8 operations started as a practical warning of the Islamic Republic of Iran to the Iraqi Ba'thist regime. These operations, along with the al-Faw-Basra axis, have resulted in some remarkable victories.

The Val-Fajr-8 operations are considered to be one of the most complicated and difficult land and sea battles of the world and are unique in the history of wars. Therefore, the Ba'thist rulers of Iraq and its supporters were very confused and for some time the Iraqi statesmen and the imperialist mass media could not accept and understand this reality. The strategic importance of the port of al-Faw and its capture by the forces of Islam, which cut off Iraq's access to the Persian Gulf, is one of the reasons. But thanks to the timely measure of the Islamic Republic of Iran in inviting foreign and domestic reporters to visit the operational theatre and its gains, the Iraqi rulers and imperialist mass media were not given further opportunity to distort the truth and create an adverse climate.

Ultimately, this invitation forced the foreign mass media and even Iraq to concede the liberation of the important strategic port of al-Faw by the combatants of Islam. Some clear examples of this claim were the confession of the BBC state radio to Iran's victories, reflection of the war news in the British press, the showing of a film about the operations on Sweden's television and a REUTER report on the visit of the foreign correspondents.

The barbaric regime of Iraq, which has long records of violating international regulations, this time also desperately resorted to chemical bombing of the operational theatre, because, as before, it was incapable of facing the combatants of Islam. Despite the fact that the commander of the Iraqi Third Army confirmed the use of the chemical weapons and the foreign correspondents visited and interviewed the victims of the chemical bombings, international circles have taken a vow of silence and continue their deadly silence vis-a-vis this issue.

The regional and international political provocations instigated by Saddam's supporters and arrogant governments, during the operations of our brave warriors,

make the oppressed nations of the world realize this fact. That the international organizations, despite the fundamental goal behind their establishment, are in practice pursuing nothing but the realization of objectives of global arrogance. How is it possible to see that no measures have been taken to punish an aggressor, who has blatantly violated the most basic international regulations by using the most dreadful chemical weapons, by invading a country, threatening integrity of a state and by imposing a war upon a nation? Whereas, on the other side, when the Islamic Republic of Iran, which has not reached any conclusion from its repeated reference to international circles and diplomatic efforts, resorts to a practical warning solely for the sake of crushing the aggressor, it is confronted by a response of the Security Council and political struggle of the governments supporting Saddam. By stating this fact, it becomes clear that the UN Security Council for discussing the Iraqi-imposed war upon Iran, will convene at the request of those governments which support the aggressor. Therefore, in view of the composition of the permanent Security Council members and this council's record in the course of this 65-months-old war, no one has the slightest doubt that the UN Security Council's sensitivity is to save the Baghdad regime only and not for defending and supporting truth and justice.

It is for these unrealistic stances of the Security Council that the representative of the Islamic Republic of Iran has refused to take part at its meeting. At the same time, the states supporting Baghdad, should pay attention to this point: That our infidel-breaking combatants, in the course of their proud operations, are not in search of territorial expansion or violation of sovereignty of the regional countries--rather their objectives are the realization of justice and punishment of the aggressor. It is therefore better for these countries to adopt a more realistic approach vis-a-vis the Iraqi-imposed war upon Iran.

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CSO: 4640/200

IRAN

COMMENTARY VIEWS UN POSITIONS ON WAR WITH IRAQ

GF180629 Tehran Domestic Service in Persian 0430 GMT 18 Feb 86

/Unattributed commentary: "A Review of Security Council Positions Toward the Imposed War"/

/Excerpts/ In the name of God, the merciful, the compassionate. According to announcements the UN Security Council will be starting preliminary discussions about the victorious Val-Fajr-8 operations tonight on the basis of a request from the seven nation committee comprised of Iraq and countries supporting this regime.

The foreign ministers of Saudi Arabia, Iraq, Kuwait, Tunisia, YAR, Jordan, and Morocco held a meeting in Baghdad last Tuesday night after an Iraqi request. They decided to test their luck in the UNSC in order to stop the progress of the warriors of Islam deep within important and strategic locations in Iraq. The session, which was part of Iraq's political efforts to compensate for its military defeat, ended in Baghdad without clear results and with the sole agreement to ask the UNSC for an extraordinary session. Following the conclusion of the victorious Khaybar operations in December 1983, the Ba'hist regime of Iraq invited Arab foreign ministers to attend an extraordinary conference in Baghdad. They formed a committee of the foreign ministers of Iraq, Saudi Arabia, Kuwait, Tunisia, YAR, Jordan, and Morocco and charged them with establishing contact with the permanent members of UNSC. The main goal of the committee and its subsequent trips was to explain Iraq's views on the imposed war and a total military and economic encirclement of our country.

At the start of the Val-Fajr-8 operations, the victorious dimensions of which were clear to the enemy since the first hours of the onslaught by the forces of Islam, Saddam attempted to fill the vacuum created as a result of his great military defeat by recalling the committee /to work/. It was clear to Saddam that this committee was unable to offer help and that its members have already invested all they could afford to invest. However, what Saddam was trying to prove and maneuver over and what foreign propagandists used even more than him, was proof of political support for Saddam in order to overshadow military operations by so-called political moves. This committee held a session in Baghdad in an atmosphere saturated with propaganda and came up with the sole decision to ask the UNSC to decide over the progress of the army of Islam deep within Iraqi soil. The UNSC is supposed to hold a session tonight on

the basis of this request. The foreign minister of the Ba'hist regime of Iraq, who was in Moscow yesterday, will be leaving for New York to attend. On the eve of this session, the questions are: Would the preliminary discussions reach any final results, or what would be the UNSC position in its possible resolution? Will it pay attention to the request by the Islamic Republic of Iran, or as has been the case in the past, will the superpower again come to an agreement over supporting Saddam? These questions are raised because of the past positions of the UNSC over the issue of the imposed war and the logical and documented objection of the Islamic Republic of Iran with respect to the attitude and actions of the UNSC regarding the aggression of the Iraqi regime and its war crimes.

The most important objection of the Islamic Republic of Iran to the UNSC is the council's support of the aggressor enemy. This objection has been raised repeatedly since 5½ years ago when the imposed war began. The officials of our country ask the UNSC why it did not demand a withdrawal of Iraqi forces from our country in the resolution it issued in the 1st month of the war contrary to the usual measures taken in all other international disagreements. Why did it not pay any attention to the clear Iraqi aggression and the occupation of large parts of our soil? This shows that even the first UNSC reaction was a move to support the aggressor. If the Islamic Republic of Iran had accepted that resolution, it would have lost two rich and strategic provinces and in case of objection, it would have accepted a war of attrition that in their view could have destroyed the system in our country.

This unreasonable and desperate position lasted for 2 years and the UNSC did not carry out any real activity during this period. During this time the UNSC never asked the Aflaqi Iraqi regime to leave Iran. However, following the Fath al-Mobin and Jerusalem operations, which liberated a considerable portion of our occupied homeland, and when Saddam announced his so-called tactical retreat from Iranian soil, the UNSC issued another resolution on the war. At this time, the army of Islam was prepared to invade Iraq and threaten the aggressor. Interestingly enough, in both Resolutions 514 and 522 issued by the UNSC in July and October 1982 both sides were asked for the first time to retreat to their international borders. The main reason for including such an article in these resolutions, as we said earlier, was the fear of Saddam's supporters of the transfer of the war to inside Iraqi soil and the resultant fall of Saddam. In the first 2 years of the war, the UNSC took Iraq's side three times against the Islamic Republic of Iran. As we have explained, the issue is very clear.

From the time when Iraq's use of chemical weapons was revealed to the UNSC, first by the Iranian mission in New York on 3 November 1983 and subsequently confirmed through a report by a UN delegation sent to the Islamic Republic of Iran on 24 March 1984, until the council's indirect condemnation of the use of the weapon by Iraq on 25 April 1985, some 18 and 12 months, respectively, had elapsed. In other words, the UNSC as the international organization to mediate aggressions which threaten international peace and security was the last source to take a position on the subject. Considering the unprecedented indifference and procrastinations of UNSC in this respect and after months of delay, their members did not agree to issue a resolution on such an important issue as Iraq's use of chemical weapons, and only issued a statement.

In order to issue a resolution, all members with the power of veto have to agree with the proposal. However, since the superpowers had no desire to condemn Iraq for its use of chemical weapons, no resolution was issued. This shows the extent of UNSC support for Iraq in the imposed war, where it has supported it at every turn.

In its dealings with the UNSC, Iran believes that the council should condemn Iraq for aggressions against Iran, the use of chemical weapons, and the violation of the 12 June 1984 agreement to refrain from attacks against civilian targets. The representative of our country has announced that as long as these requests are not met, Iran will not participate in the council sessions. On this basis, our representative will not attend tonight's session. The UNSC is on the verge of another test, and is unlikely to assume a realistic, moderate position and is likely to again onesidedly support Iraq in another resolution.

The warriors of the army of Islam, ignoring political games, will continue to deal their crushing blows against the decaying and shaking Ba'thist body in order to ensure the victory of right against wrong in the battlefronts and until the complete collapse of Saddam.

/12228

CSO: 4640/206

IRAN

TEHRAN RADIO CITES LEBANESE HIZBALLAH STATEMENT

LD190948 Tehran Domestic Service in Persian 0430 GMT 19 Feb 86

/Text/ The Lebanese Hizballah, declared in a statement issued last night its stance vis-a-vis the current war of the Zionist regime against the oppressed people of Lebanon. The Central News Unit reports from Beirut that the Hizballah announced: The warriors of the Islamic resistance through their anti-Zionist struggle have succeeded in crushing remnants of the enemy's low morale and have handed over two wounded Israeli officers as prisoners to the families of the martyrs and those mothers whose sons are detained by the Zionists.

While stressing that the current battle of the people of Lebanon against the Zionists is a liberating battle against usurpers of the Islamic land and is a battle in honor of humanity, the statement emphasized: This has been a war against the prophet's enemy throughout history, and its events will be written by the pure blood of martyrs in their fight against arrogant and misled forces.

Addressing the Muslims of Lebanon, the Hizballah's statement adds: O you sons of Mohammad, 'Ali and Fatimah, the Zionists of Khaybar are once again returning with the support of the archsatan and the collaboration of Arab reactionaries. So we must consolidate and strengthen our trenches with the shield of Koran and we must raise the sword of Islam once again; and by relying upon God we should realize that only a few moments separate us from paradise.

The Lebanese Hizballah also declared in its statement: Today the Islamic Resistance Movement is the main organizer of the arena of war against the occupying Zionists, and all Muslims are dutybound to support it and place all their resources at the disposal of this movement. We should all avoid looking to our internal problems, which would hinder us from performing our prime duty.

The statement stressed in conclusion: All the oppressed people of Lebanon are dutybound to hasten today to the arena of the holy jihad against the Zionist entity and to destroy its internal mercenaries.

/12228

CSO: 4640/205

IRAN

CLANDESTINE RADIO ON PERUVIAN MARXISTS IN KORDESTAN: USSR TIES

GF131822 (Clandestine) Voice of the Liberation of Iran in Persian 1630 GMT
13 Feb 86

/Text/ Coinciding with the anniversary of the coming to power of the Islamic regime in Iran and the disasters this has caused in various fields, various reports are not being published on the infiltration of leftist elements inside Iran, specially in the Persian Gulf region, which undoubtedly is the result of the ineptitude of the mullahs governing our country.

One of the Voice of the Liberation of Iran correspondents in Kordestan says: A group of Latin American terrorists has arrived in Kordestan. Although so far we have received no detailed reports, first reports indicate that an eight-man group led by (Jose Plaero), one of Peru's famous Marxists, has recently arrived in Kordestan. These people lived in Cuba for many years.

According to our correspondents, Iranian Kordestan has a suspicious and sad air and the Islamic Republic does not have enough understanding to pay attention to the dangerous events in this region.

On the other hand, the Persian Gulf area is witnessing the step-by-step infiltration of Russians, which, according to analysts is due to the Islamic Republic's inefficient policies.

In this connection, our correspondents speak of the continuous comings and goings of Soviet officials under the pretext of being representatives and trade attaches in the Persian Gulf Sheykhdoms. The correspondents say that after the coup in South Yemen, the Soviets are now showing increasing interest in infiltration in this area and sending intelligence officials to the Persian Gulf.

Our correspondents add: (Nahram Rostamov), the Persian Gulf specialist in the Soviet KGB, is now in Kuwait. Analysts who are following closely events in this area believe that during the recent trip by Korniyenko, deputy Soviet foreign minister, to Tehran talks were held on cooperation of Khomeyni's Islamic regime with the Soviets on the region's strategic issues.

We remind you that at the end of Korniyenko's trip to Iran, the two governments of Tehran and Moscow issued several joint statements saying the talks were constructive.

IRAN

BRIEFS

MUJAHIDIN RESISTANCE PRAISED--The embassy of the Islamic Republic of Iran in Lebanon issued a statement on Wednesday praising the Islamic resistance of mujahidin in south Lebanon to the Zionist enemy and denouncing the aggressive operations of the Jerusalem occupying regime against Muslims and peoples of south Lebanon. The communique then reads: At a time when the forces of Islam are liberating the Iraqi-Islamic homeland from the domination of the Aflaqi regime, the mujahidin of Islamic resistance have embarked on valiant operations codenamed as Val-Fajr or Ya Zahra against the Zionist occupiers which indicates the (?moderate) Islamic liberation movements in Iraq, Lebanon, and the occupied Palestine in memory of blood-soaked martyrs such as Shaykh Raqib Harb. The statement from the embassy of Islamic Iran in Beirut also stresses the full support of the Islamic Republic of Iran for the mujahidin of Islamic resistance and all others who have resisted the aggressor enemy at this critical juncture. /Text/ /Tehran Domestic Service in Persian 1930 GMT 20 Feb 86 LD/ 12228

CSO: 4640/202

END